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Near East/South Asia Report

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NEAR EAST/SOUTH ASIA REPORT

CONTENTS

REGIONAL AFFAIRS

INTERN	MATIONAL AFFAIRS	
	UAE-Bangladesh Investment Firm (KHALEEJ TIMES, 17 Oct 83)	1
	ARAB AFRICA	
ALGERI	A	
	Finance Bill for 1984 Approved; Calls for Spending Austerity (EL MOUDJAHID, 1 Jan 84)	2
EGYPT		
	Results of Third Phase of Trade Union Elections Reported ('Ali 'Uthman; AL-'UMMAL, 21 Nov 83)	5
	Membership of Affiliated Trade Unions' Boards of Directors Announced (AL-'UMMAL, 21 Nov 83)	7
	Four New Secretariats Created in EGTUF (AL-'UMMAL, 28 Nov 83)	16
	EGTUF Board of Directors Named (AL-'UMMAL, 28 Nov 83)	17

LIBYA

	Briefs	
	Cooperation Agreement With Ethiopia	18
MAURI T	ANIA	
	Briefs Cereal Production Falls	19
MOROCCO		
	Speculation Offered on New Political Alignment in Country (Abu Bakr al-Sadiq al-Sharif; AL-TADAMUN, No 35, 10 Dec 83)	20
TUNISIA	A	
	Political Developments in New Liberal Climate Reviewed (Rashid Khashanah; AL-TADAMUN, No 35, 10 Dec 83)	24
	ARAB EAST/ISRAEL	
ISRAEL		
	Sa'd Haddad Speaks About His Career, Illness (Smadar Peri; YEDI'OT AHARONOT, 18 Nov 83)	28
	Briefs	
	Conditions at Galilee Hospitals Mineral Discoveries	36 36
KUWAIT		
	Finance Minister Discusses New Stock Debt Liquidation Law (AL-RA'Y AL-'AMM, 23 Nov 83)	37
	Settlement Director Discusses Evaluation of Indebtedness Cases	
	(AL-RA'Y AL-'AMM, 28 Nov 83)	43
SAUDI	ARABIA	
	New Direction in Saudi Economy Discussed (Nabil Habib Majalli; AL-MAJALLAH, No 196, 12-18 Nov 83)	48

	Riyadh's New King Khalid International Airport Described (AL-MAJALLAH, No 196, 12-18 Nov 83)	53
UNITED	ARAB EMIRATES	
	Paper Comments on United States' 'Dilemma' (Dubayy Domestic Service, 13 Jan 84)	59
	Computer Market in UAE Still Resilient (Francis Matthew; KHALEEJ TIMES, 28 Oct 83)	60
	UAE Economic Growth Marks Shift in 1983 (Francis Matthew; KHALEEJ TIMES, 31 Dec 83)	62
	Over Dh 307 Million Earmarked for Federal Projects (KHALEEJ TIMES, 7 Nov 83)	65
	Fifty Foreign Plants Suitable for Desert Listed (Raman Kapoor; KHALEEJ TIMES, 12 Oct 83)	66
	Imports in 1983 Held Steady (Francis Matthews; KHALEEJ TIMES, 29 Dec 83)	67
	Ministers Report Major 1982 Projects Completed (KHALEEJ TIMES, 18 Dec 83, 1 Jan 84)	68
	Abu Dhabi Public Works Dubai 'Infrastructure' Projects Completed, by K. P. Nayar	
	Over Dh 11 Billion Spent on Federal Projects (KHALEEJ TIMES, 28 Dec 83)	70
	Ajman Refinery To Be Ready by 1986 (Raman Kapoor; KHALEEJ TIMES, 28 Oct 83)	71
	Survey: Oilfield Workers Better Paid (Ahmed Hassan; KHALEEJ TIMES, 28 Oct 83)	72
	Ras Al Khaimah May Become Major Oil Producer (KHALEEJ TIMES, 30 Oct 83)	73
	Rashid Awards Final Oil Concession (KHALEEJ TIMES, 3 Nov 83)	74
	Sharp Rise in UAE Fuel Consumption (KHALEEJ TIMES, 5 Nov 83)	75
	Banks Getting Tough on Loans (K. P. Nayar; KHALEEJ TIMES, 25 Oct 83)	76

	(Raman Kapoor; KHALEEJ TIMES, 15 Oct 83)	77
	ADNOC Chlorine Plant Makes Good Progress (Dara Kadva; KHALEEJ TIMES, 24 Oct 83)	78
	Number of Asian Expatriates Fall (Maruf Khwaja; KHALEEJ TIMES, 21 Oct 83)	80
	Four Percent Duty Now in Force (K. P. Nayar; KHALEEJ TIMES, 7 Nov 83)	82
	Five More Airlines To Operate Through Dubai (KHALEEJ TIMES, 12 Oct 83)	84
	Third Container Berth for Port Khalid (Maruf Khwaja; KHALEEJ TIMES, 25 Oct 83)	85
	Iran Vessel's First Visit to Emirates (KHALEEJ TIMES, 3 Nov 83)	86
	Daily Comments on Gulf Security (WAM, 8 Jan 84)	87
	Briefs	
	UAE Income at Dh 39.5 b	88
	State Firms in Abu Dhabi To Go Public	88
	Population Statistic	88
	Emirtel Project Budget	89
	Dh 175m Projects Completed	89
	Sharjah Air Traffic Rises	89
PEOPLE	E'S DEMOCRATIC REPUBLIC OF YEMEN	
	'Ali Nasir Muhammad Approves 1984 Budget	
	(Aden Domestic Service, 18 Jan 84)	90
	Briefs	
	Mineral Agreement	92
	SOUTH ASIA	
AFGHAN	NISTAN	
	PRAVDA Article on Anti-Tudeh Campaign in Iran Examined	
	(KABUL NEW TIMES, 2 Jan 84)	93

	Mujahidin Leader Addresses Islamic Conference (Sikander Hayat, Nusrat Javeed; THE MUSLIM, 12 Dec 83)	96
	Gas Pipeline To Be Extended to Shabarghan (KABUL NEW TIMES, 2 Jan 84)	98
IRAN		
	U.S. Accused of Conspiracies Against Iran (Editorial; TEHRAN TIMES, 15 Dec 83)	100
	Article Examines Iranian Economy (M. B. Naqvi; DAWN, 24 Dec 83)	102
	Rise, Decline of OPEC Analyzed (KEYHAN INTERNATIONAL, 13 Dec 83)	106
	Tehran Radio Comments on Palestinian Situation (Tehran Domestic Service, 2 Jan 84)	108
	Article Discusses Afghan Refugee Problem (KEYHAN, 17 Dec &3)	110
	MFA Official Comments on Role of Revolutionary Guards in Lebanon (ETTELA'AT, 13 Dec 83)	113
PAKIS	TAN	
	Commentary on Situation in Afghanistan (Editorial; PAKISTAN TIMES, 28 Dec 83)	115
	Report on State of Economy Reviewed (Editorial; PAKISTAN TIMES, 20 Dec 83)	117
	Political Uncertainty, Ambivalence Discussed (Editorial; NAWA-E WAQT, 24 Dec 83)	119
	Proposal for RCD Revival Welcomed; Cooperation Stressed	120

UAE-BANGLADESH INVESTMENT FIRM

Dubayy KHALEEJ TIMES in English 17 Oct 83 p 1

[Text]

BANGLADESH and the UAE are to form a joint investment company with an initial capital of \$30 million to operate in the private sector.

This was disclosed by the Bangladesh Minister for Finance and Planning, Mr A.M.U. Muhit, in Abu Dhabi yesterday.

Speaking to newsmen at the Abu Dhabi Hilton, the minister said that bilateral cooperation was discussed in his meeting with Shaikh Khalifa bin Zayed, Crown Prince of Abu Dhabi and chairman of the Abu Dhabi Executive Council and with Shaikh Surour bin Mohammed, Chamberlain of the Presidential Court and chairman of the UAE Central Bank.

The minister said that one of the main objectives of his visit to the UAE was to seek the UAE's assistance in the architious Jaipurhat limestone and cement project.

The minister said that the proposed project which is estimated to cost \$263 million would ultimately provide all the cement needs of his country. It is expected to produce one million tons of cement annually after a period of six years. According to Mr Muhit, the project is being jointly financed by the Saudi Fund, the Kuwaiti Fund, ADF-AED, the Islamic Development Bank and the International Finance Corporation, which is a subsidiary of the IMF and the World Bank.

Elaborating on the joint investment company venture, the minister said that a mission from ADFAED had recently visited Bangladesh. He said that Bangladesh had made certain proposals which are being discussed by the relevant authorities on both sides. The minister also said that a similar joint investment company with Saudi Arabia has been formed and it proposes to set up a mini steel plant in Bangladesh soon.

He said that with the timely assistance of the UAE, the East-West Electrical Connector project, which transfers electrical power from one region to another was completed. This has helped Bangladesh's development substantially. Another important project which was completed with UAE aid was a plant to manufacture machine tools. The UAE offered a generous assistance of \$10 million in 1974.

The visiting minister indicated, that the total UAE aid to his country to date amounted to \$115 million. He said that the UAE is also participating in the Chittagong Urea Project which commenced operations in January 1982. The project would go a long way to resolve the food crisis in Bangladesh, he said.

The UAE contributed \$23 million to the Chittagong urea project he said. Saudi Arabia was also contributing about \$80 million towards the project and other contributers were the Asian Development Bank, the Islamic Development Bank, Japan, Canada and the World Bank, he said.

He said the \$1.2 million dredger provided by the UAE was being used to improve the navigational and irrigation system of the country.

The minister also spoke to Janata Bank employees in Abu Dhabi yesterday and attended a dinner hosted in his honour by the bank. Mr Muhit met several top officials of the Bengal Development Company—the largest

Bangladeshi company operating outside the country.

He said that the company which had the full backing of the government was facing some problems in the UAE. He assured the officials that he would do his best to resolve the problems

CSO: 4400/120

FINANCE BILL FOR 1984 APPROVED; CALLS FOR SPENDING AUSTERITY

Algiers EL MOUDJAHID in French 1 Jan 84 p 3

[The 1984 finance bill adopted by the Assembly and signed by President and Party Secretary Chadli Bendjedid prior to the FLN's 5th Party Congress, calls for tight controls on spending, with priority going to education and social and cultural services. Prior to the FLN Party's 5th Congress, the international crisis, as well as implementation of the new tax system, were discussed on Thursday at a televised round-table discussion chaired by Mr. Bualem Benhamouda, Finance Minister and member of the FLN Central committee; two representatives of the Algerian press took part in the discussion.

As he introduced the 1984 finance bill, the minister noted that the overall budget has been pegged at 106.735 billion dinar for all state spending, and explained that this envelope contains 59.709 billion dinar for current expenditures (operating budget), and 46.026 billion dinar for "investissements sur concours définitifs" [appropriations and/or aid commitments in place].

Investment spending on behalf of the productive sector "sur concours temporaire" [interim or partial funding commitments] will come to 55.395 dinar.

The minister went on to a detailed analysis of the volume and structure of the financing costs, making a comparison with the budget surplus of the fiscal year just ending, noting that it shows growth on the order of 7 percent.

This improvement, he said (98.667 billion dinar in 1983 as against 105.835 billion dinar in 1984), reflects the continuing efforts by the government to intensify austerity and rigor in the management of public finances and to abide by the economic development standards as set forth in the development plan.

In his analysis of the expenditure structure, Mr Boulem Benhamoufa made the point that it has been developing along two different lines of thrust, according to whether one looks at the appropriations for the operating budget or at the costs of public investments. As for the operating budget, it rose from 50.421 billion DA in 1983 to 59.709 billion DA for 1984, an increase of 9.228 billion DA (or about 18 percent). He added that this increase applies mainly to the traditional priority sectors of education and vocational training (up 1.822 billion) and to social and cultural services (up 949 billion dinar).

The 1984 operating budget, said Dr Benhamouda, will continue to carry major burdens relating to the gradual implementation of the General Labor Act, as it did in 1983, the year in which substantial sums had gone to standardizing civil service salaries, especially those of low-income workers.

Payroll costs (including wages and benefits) were assessed at 26.713 billion dinar, or about 45 percent of the total operating budget, he said.

As for the investment budget, the finance minister said that, for the first time, special funds earmarked for start-up money for new businesses were established as support for the measures in aid of enterprise restructuring, now in its final phase; he stated that an envelope of 750 million dinar had been prepared for financing local infrastructures (500 million dinar) and to cover the start-up fund (250 million dinar).

On top of this comes the substantial billion-dinar increase in funding for financial restructuring of enterprises "sur concours définitifs," up from 2.5 billion DA in 1983 to 3.5 billion DA in 1984.

The Finance Minister underscored the point that priority investments absorbed considerable sums, including increases for local development programs under the Communal Development Programs (PCDs) and Urban Modernization Program (PMU), totaling 5.4 billion DA; rural housing, at 2.25 billion DA, agriculture at 0.9 billion, railroad infrastructures at 2.32 billion, non-rail communications at 3.51 billion, and water-power at 3.35 billion.

Education and training came in for increases as well, in the amount of 8.5 billion, while rural electrification is budgeted at 1.1 billion DA, he said.

Summing up the overall impact of these figures, Dr Benhamouda pointed out that the national budget is steadily drawing closer into line with the goals assigned under the Plan for government services on the one hand and with the facts of life in the nation's overall development on the other.

Moving on to tax reform since the beginning of 1982, Dr Benhamouda noted that, particularly since 1983, the tax system has taken an energetic turn for the better in adapting to the profound changes that have come about in the national socio-economic structures. This development is reflected in a number of innovations in the tax laws for 1983 and 1984, which will improve the effectiveness of the taxt system, one of whose major concerns is to cover current government spending out of regular tax revenues and to set aside revenue from the oil tax for financing social and economic investments. These concerns have led to a muchneeded simplification of red-tape formalities, to a better grasp of the tax base, and to the search for a better balance so as to assure a fairer distribution of the tax burden.

The minister cited the tax measures taken in 1983 as part of a reform program, including the reform of a number of tax systems as well as procedures of assessment and of appeal. He also cited tax relief and even tax exemption for certain categories of tax-payers: workers earning no more than 1,100 dinar per month and small tradesmen whose annual revenues do not exceed 60,000 dinar, who are exempt from all direct taxes.

Analysis of the measures enacted under the 1983 finance Act, the minister pointed out, show that the desire of the government is implicit in its decisions oriented simultaneously toward:

- -- A tax fairness drive involving a lightening of the tax burden for a particular class of taxpayers and an increase -- in some cases new fees and taxes -- which are in effect adjustments to the tax system to meed specific financial, economic, and social imperatives.
- -- An incentive and orientation drive aimed at business and industry through tax advantages granted to certain companies covered by the national private investment Act and the new legislation covering artisan enterprise.
- -- a new pattern for distribution of resources between the cantral government and local communities.

The minister went on to discuss the other aspects of this Finance Bill. We shall return to those matters in tomorrow's edition.

6182

CSO: 4519/76

RESULTS OF THIRD PHASE OF TRADE UNION ELECTIONS REPORTED

Cairo AL-'UMMAL in Arabic 21 Nov 83 p 1

Article by 'Ali 'Uthman: "The Candidates for Membership in the Council of the Egyptian General Trade Union Federation (EGTUF) Have Won Confirmation. During the Third and Final Phase, 25 Candidates Representing 23 General Unions Were Nominated. This is the Number Required for the Membership of the Council During the New Session, Which Will Last 4 Years"

/Text/ On Saturday, the day before yesterday, the Division of Manpower in Cairo stopped accepting nomination papers for membership on the board of directors of the federation from the members of the boards of directors of the general trade unions, whose names were announced yesterday, Sunday, in accordance with the time schedule of this stage.

The directorship of EGTUF will hold a meeting on Wednesday, the day after tomorrow. The meeting will be chaired by Sa'd Muhammad Ahmad, minister of manpower and president of the federation. It will discuss the regulation dealing with the federation's basic bylaws in light of the reforms recently approved by the federation, as well as the financial center and the budget, so that the budget can be submitted to the general assembly next Sunday, 27 November.

It has been decided that the president of the federation for the new session will hold a press confer nce on the same day to announce the constitution of the members of the directorship of EGTUF who won election. He will also announce the constitution of the heads of the special secretariats and the federation's working plan for the new trade union session.

The Union Heads and the Unions' Representatives at the Federation

As a result of the general trade union elections held last week, Sa'd Muhammad Ahmad, the president of the EGTUF and minister of manpower, won election as the head of the General Trade Union of Nutritional Industries. He thereby became its representative on the board of directors of EGTUF. Muhammad Ahm-d Kamil al-'Aqili was elected president of the General Trade Union of Ground Transportation and the union's representative to the federation. Mukhtar 'Abd-al-Hamid Muhammad was elected president of the General Trade Union of Agriculture, Irrigation and Water Resources and the union's representative to the federation. Ibrahim Shalabi was elected president of the General Trade Union of Weaving and Spinning Workers and the union's representative to the federation. The union

is also represented at the federation by 'Asim 'Abd-al-Haqq Salih, a member of union's executive council. 'Abd-al-Rahman Khadr was elected president of the General Trade Union of Administrative and Social Services and the union's representative to the federation. Hasan Muhammad 'Id was elected president of the General Trade Union of Postal Workers and the union's representative to the federation.

In addition, 'Abbas Mahmud was elected president of the General Trade Union of Mines and Quarries and the union's representative to the federation. Muhammad Ahmad 'Umar was elected president of the General Trade Union of Construction Workers and Carpenters and the union's representative to the federation. union is also represented by Muhammad Fahmi Badr, its first vice president. Ahmad Ahmad al-'Imari was elected president of the General Trade Union of Chemical Workers. Ahmad Dassuqi Khalil was chosen the union's first vice president and representative to the federation. Mahmud Dabur was elected president of the General Trade Union of Banks and Insurance Companies and the union's representative to the federation. 'Abd-al-Mun'im Faraj 'Isa was elected president of the General Trade Union of Air Transportation and its representative to the federation. Ahmad Mahmud Ya'qub was elected president of the General Trade Union of Commerce. Kamal Husayn 'Abd-al-'Awwad, the union's vice president, was chosen as its representative to the federation. Mansur 'Abd-al-Mun'im was elected president of the General Trade Union of Utility Workers. 'Abd-al-Fattah Badr was chosen to be the union's representative to the federation.

Moreover, Sa'id Jum'ah 'Ali was elected president of the General Trade Union of Engineering and Metal InJustries and its representative to the federation. Anwar 'Ashmawi Muhammad was elected president of the General Trade Union of Petroleum Workers and the union's representative to the federation. Mustafa Ibrahim Mustafa was elected president of the General Trade Union of Tourism and Hotel Workers and the union's representative to the federation. Mahmud 'Atiyatu was elected president of the General Trade Union of Railways and the union's representative to the federation. Muhammad Ramadan Abu-Tur was elected president of the General Trade Union of Sea Transportation and the union's representative to the federation. Mustafa Manja Mahmud was elected president of the General Trade Union of War Production and the union's representative to the federation. Mukhtar Yusuf Muhammad was elected president of the General Trade Union of Instructional Services and the union's representative to the federation. Muhammad Khayri Hashim was elected president of the General Trade Union of Telephone and Telegraph Workers and the union's representative to the federation. Muhammad 'Ali al-Faqi was elected president of the General Trade Union of the Press, Printing and Information. Ahmad Ibrahim Harak was chosen to represent the union on the board of directors of EGTUF.

The members whom the general trade unions chose to represent them on the board of directors of EGTUF submitted their nomination papers the day before yesterday, when their election was announced.

12224

CSO: 4504/114

MEMBERSHIP OF AFFILIATED TRADE UNIONS' BOARDS OF DIRECTORS ANNOUNCED

Cairo AL-'UMMAL in Arabic 21 Nov 83 pp 5, 6

 $\sqrt{\text{Text/}}$ As a result of the 23 general trade union elections held last week, 95 percent of the previous leaders kept their offices, which they will now hold for the new 1983-87 union session. This affirms the complete trust the workers have in their current leaders.

The final composition of the membership of the boards of the general trade unions follows:

The General Trade Union of Food Industries

Sa'd Muhammad Ahmad--president and union representative to the federation Mahmud al-'Askari--first vice president

'Abd-al-Sattar Sa'd Musa--vice president

Muhammad 'Abd-al-Latif Riyan Makhluf--vice president

Sayyid Hasan Darwah -- deputy

'Adli Tanyus Ibrahim--general secretary

'Abd-al-Latif Muhammad 'Aysh--assistant general secretary

Muhammad Shafiq Mustafa--treasurer

'Adil Mutawalli Badawi--assistant treasurer

Ahmad Muhammad Husayn, Hasan Muhammad Ghunaymi, Sayyid 'Ali Muhammad 'Id, 'Ali Shahhatah Radwan, 'Umran Mustafa, Muhammad Jabir Taha, Muhammad Najib, Ahmad Muhammad al-Sawi, al-Nahnas 'Atiyatu 'Abd-al-Rahman, Ahmad Shams-al-Din Baghaghuwah and Jalal Ahmad Rutan--members

The General Trade Union for the Press, Printing and Information

Muhammad 'Ali al-Faqi-president

'Abd-Rabbih 'Abd-al-Khaliq--vice president of the pension fund and organizational secretary

Ahmad Muhammad Hassan--vice president for the press

Salah-al-Din Husayn 'Abdallah--vice president for printing and secretary for education

Fathi 'Abd-al-'Al Ahmad--vice president for information

'Abd-al-'Aziz Qansuwah--vice president from Alexandria

Ahmad Muhammad Dasuqi--general secretary

Mahmud Muhammad Khalil--assistant general secretary

Ahmad Hasan Hasan—assistant general secretary
Ibrahim Da'ud—assistant general secretary for Alexandria
Muhammad Qutb Ibrahim—treasurer
Muhammad Salim Muhammad—assistant treasurer
Ahmad 'Abd—al—Wanis—assistant treasurer for Alexandria
'Abd—al—Mu'izz 'Abd—al—Badi'—financial controller
Ahmad Ibrahim Harak—secretary for foreign relations and union representative
to the federation
Salah 'Abd—al—Khaliq—secretary for industrial security
Ahmad Qinawi Mahmud—information secretary
Fadl 'Abd—al—Jawad—secretary for social security
Muhammad 'Abd—al—Dayim—secretary for the relationship between work and wages
Muhammad Rashad al—Amir—secretary for cooperatives and housing
Sayyid Mahmud Farhat—member

The General Trade Union for Ground Transportation

 $\label{lem:muhammad} \begin{tabular}{ll} Muhammad & Ahmad & al-'Aqili--president & and & union & representative & to & the \\ federation & & & & & \\ \end{tabular}$

Isma'il 'Abd-al-Rahman al-Dumaylawi--vice president

Muhammad 'Abd-al-Jawad Mas'ud--vice president

Muhammad Kamil Muhammad Labib--general secretary

Sulayman 'Abd-al-Tawwab Khamis--assistant general secretary

Munir Badr Shita--treasurer

'Ali 'Ali Mustafa--assistant treasurer

Badran 'Abd-al-'Ati Badran, Salih Muhammad Salih Hasan, 'Abdallah al-Sayyid Ghandur, Isma'il Ahmad Farah, Muhammad al-Sa'id Amin al-Sinyadili, Khadri Muhammad Hammam, Kamil al-Sayyid Sinin, Ahmad Muhammad al-Saghir, 'Umar al-Faruq 'Atwan, Ahmad Fu'ad 'Abd-al-Rahman, Muhammad al-Sayyid Mukhaymir, and Hasan 'Abdallah Mahbub--members

The General Trade Union of Agriculture, Irrigation and Water Resources

Mukhtar 'Abd-al-Hamid Muhammad--president and union representative to the federation

Ahmad Hashim Badr--vice president

Ahmad Muhammad Yunis--deputy of the union for Upper Egypt

Muhammad Abu Talib -- deputy of the union for Upper Egypt

Muhammad Isma'il Jawdah--deputy of the union for Lower Egypt

Muhammad Rizq Muhammad--deputy of the union for Lower Egypt

'Abd-al-Hamid Muhammad Ibrahim--deputy director for the Canal and Sinai

Fathi 'Abd-al-Mun'im Qartam--general secretary

Muhammad Fahmi Qamurah--financial controller

Al-Sayyid Ahmad al-'Ashari--assistant general secretary

Hashim 'Abd-al-Hamid Zayid--treasurer

Amin 'Abd-al-Rahman Ma'ruf--assistant treasurer

Sa'id 'Abd-al-Qadir Isma'il, 'Abd-al-Raziq Ahmad al-Baru'i, 'Abd-al-Qadir 'Abd-al-Raziq al-Huzayri, Ibrahim al-Sayyid Muhammad Nassar, 'Abd-al-Halim Ahmad 'Abd-al-Hafiz, Muhammad Mahrus Muhammad 'Ali, and Muhammad Muhammad

Isma'il Salim--members

The General Trade Union of Spinning and Weaving Workers

Ibrahim Shalabi--president of union representative to the federation Sami 'Izz-al-'Arab--vice president

'Abd-al-Fattah al-Banna--general secretary

Fathi Ni'matallah--treasurer

'Asim 'Abd-al-Haqq Salih--union representative to the federation Sayyid Rashid, Salih Makkawi, Salim Hasan, 'Ali Sayf, Ahmad al-Kashif, 'Abd-al-Sabur 'Abd-al-Mun'im, Kamil Riyad, Mustafa Yusuf, Ibrahim al-Anud, Abu-al-Sa'ud Suyul, Mahmud al-Khulji, Ahmad Sulayman, Mahmud 'Abbas, Sa'id al-Jawhari, Hamdi al-Dassuqi Khali, and Muhammad Ibrahim al-Saht--members

The General Trade Union of Administrative and Social Services

'Abd-al-Rahman Khadr--president and union representative to the federation Isma'il Thabit Rashwan--vice president

Muhammad 'Abd-al-Hamid al-Hush--vice president

Mahmud 'Abd-al-Khaliq Nada--general secretary

Yasin Hamid al-Dubb--assistant secretary

Ibrahim 'Abd-al-Fattah 'Ammar--treasurer

Mukhtar Hamudah Lam'i--assistant treasurer

Ibrahim Abu-al-Khayr Dayf, Fathi 'Ali Shahhatah, Al-Sayyid Qamsan Salim, Ahmad 'Abd-al-Zahir 'Uthman, Muhammad Marsa Mustafa, Mahdi al-Sayyid Muhammad, Mustafa Muhammad 'Uthman Hajr, Muhammad al-Khadri Sultan, 'Abd-al-'Aziz Ahmad al-Sa'idi, Muhammad Maghazi Mahmud 'Allamah, Ahmad Rabi' 'Abd-al-Ghaffar Shu'ban, Kamil Ahmad 'Ali, Badawi al-Sayyid Mustafa Baharuh, and Salah-al-Din Muhammad al-'Ashari--members

The General Trade Union of Health Services

Abu Bakr Jad al-Mawla--president and union representative to the federation Rajab Muhammad Ahmad al-'Attar--vice president

Muhammad Wahbi 'Abd-al-Mawjud--vice president

Yusuf Najati Ahmad 'Izzat--vice president

Faruq Nashid Ibrahim--vice president

Ahmad 'Abd-al-Latif--general secretary

Muhammad Muhammad Adam--treasurer

Muhammad 'Abd-al-Salam Ibrahim--assistant general secretary

Mansur 'Abd-al-'Al Salam--assistant treasurer

Ramadan Muhammad Ibrahim, Kamal Hasan 'Umar, Muhammad 'Abd-al-'Al Ibrahimi, Shakir al-Husayni Ahmad, Ibrahim Ghalib 'Abd-al-Nasir, Muhammad 'Izz-al-Din 'Abd-al-Samad, Nasim Farmawi Shalabi, Muhammad Hasan 'Abdallah, Muhammad Khayrallah, Ahmad 'Adil 'Abd-al-Hamid, and Muhammad Muhammad Salam--members

The General Trade Union of Chemical Workers

Ahmad Ahmad al-Mu'awi--president

Ahmad Dassuqi Khalil--first vice president and union representative to the federation

Salah-al-Din Maghazi--vice president

'Abd-al-Zahir Sayyid Ahmad--vice president

Ja'far 'Abd-al-Mun'im--general secretary Rashad Fikri--general secretary for Alexandria Ibrahim al-Azhari--treasurer Isma'il Abu-al-Hawayil--services secretary 'Uthman 'Awad 'Aql--assistant services secretary Mansur 'Abd-al-Mun'im--assistant services secretary Mrs 'A'ishah 'Abd-al-Hadi--secretary for education and information Muhammad Ahmad 'Afifi--assistant general secretary Muhammad Ma'ruf 'Ali -- secretary for the relationships between work and wages Ahmad al-Wasfi Hasan--secretary for health and occupational safety Marsa 'Uthman Isma'il -- secretary for social security 'Uthman Mahjub Mahjub--assistant treasurer 'Abd-al-Ghani al-'Inani--official in charge of the al-Buhayrah Governorate sector Ahmad Mahmud 'Abduh--membership and organization secretary 'Ali al-Badawi Muhammad--secretary for the private sector Mustafa al-Nadi--secretary for production capacity

The General Trade Union of Tourism and Hotel Workers

Mustafa Ibrahim Mustafa -- president and union representative to the federation 'Ali Mahrus Ghanim--vice president Samir Taha al-'Asqalani--vice president Muhammad 'Abdallah Muhammad--deputy Shawqi Muhammad 'Abd-al-Jawad--deputy Mahmud Ahmad 'Abd-al-'Al--deputy Shawqi al-Ashqar--deputy Amin Muhammad Abu-Bakr al-Sharif--general secretary Ahmad Lutfi al-Shal--assistant general secretary Fathiyah al-Sayyid--assistant general secretary Subhi al-Ghazali--assistant general secretary Al-Sa'id al-Sayyid al-Sayyid--treasurer 'Abd-al-Majid Bashir Makki--assistant treasurer Sa'd Bayyumi Mutawalli--union secretary for the private sector 'Abd al-Salam Muhammad Isma'il--financial controller Ahmad Qutb al-'Isawi--administrative controller Faraj 'Abd-Rabbih al-Qalini--social services secretary Muhammad Hamid 'Awad--social security secretary Tawfiq Ibrahim Muhammad--secretary for production capacity and training Yahya Sayyid Mansur--education secretary Sayyid Ma'mun Ibrahim -- secretary for cooperatives and housing

The General Trade Union of Petroleum Workers

Anwar 'Ashmawi Muhammad--president and union representative to the federation 'Abd-al-Qadir Hasan--first vice president
Muhammad al-Batati--vice president for the Canal region and the Red Sea Sabir Khalifah--vice president for the Alexandria region
Muhammad Zad-al-Din Nur-al-Din--general secretary
Fawzi 'Abd-al-Bari--assistant general secretary
Fathi Mahmud--assistant general secretary for Alexandria

Samir Tu'aymah--assistant general secretary for the Canal and the Red Sea Muhammad Shawqi 'Abd-al-Fattah--treasurer Mustafa Kamal--assistant treasurer Ahmad 'Amir--assistant treasurer for Alexandria Ahmad Hamid--assistant treasurer for the Canal and the Red Sea Amir 'Abd-al-Salam--secretary for industrial security Tharwat Mahmud Ahmad--services secretary Rida 'Abd-al-Shafi--education secretary Thurayya 'Abd-al-Hamid Labinah--secretary for working women Muhammad Sayyid Ahmad--secretary for cooperatives and housing Ilyas 'Ali Karar, Ahmad Muhammad Mustafa, 'Abd-al-Fattah Sharif, Hamdi al-Saghir Muhammad--members

The General Trade Union of Mines and Quarries

'Abbas Mahmud--president and union representative to the federation
Sa'd 'Abduh al-Imam--vice president for Lower Egyptian affairs
Muhammad Ahmad Hasan--vice president for Upper Egyptian affairs
Muhammad Fu'ad Darahim--general secretary
Ba'zaq Rifa'i--treasurer
Hamid Sibaq--assistant general secretary
Muhammad Fathi Mutawi'--assistant treasurer
Amin 'Amir, 'Atif Hamid Rabi', Muhammad Fathi Basuni, Ibrahim Jabir, Ibrahim
'Abd-al-Hamid, Salim Ahmad Salim, 'Abdallah Adam, Muhammad al-Sayyid Zaydan,
Ibrahim al-Sawi, 'Umar 'Ali Abu-al-Hasan, Kamil Abu-Zayd, Mubarak Mahmud 'Azzam,
Mansur 'Abbas Muhammad, and Husayn Ibrahim--members

The General Trade Union of Engineering Industries

Sa'id Jum'ah--president and union representative to the federation
Sulayman Muhammad Idris--first vice president
'Abd-al-'Azim Mahrus Abu Hawlah--vice president in charge of the trade union
and membership committees
Fathi 'Abd-al-Latif Ahmad--vice president for the Governorate of Alexandria
Jamal al-Tarabishi--general secretary
Kamal Khattab--assistant general secretary
Jalal Ahmad Hasanayn--treasurer
Faruq Sa'id 'Ali--assistant treasurer
Kamal Jabr, Muhammad 'Ali Faris, Fayiz al-Kartah, Niyazi 'Abd-al-'Aziz, Muhammad
Nijm, Ahmad Zayyan Sultan, 'Abd-al-Karim 'Abd-al-Jawad, Sayyid Hanafi, 'Id Marsa,
Muhammad Tahir Mansur, Shawqi Farghali, Shamrukh Muhammad Mahmud, and 'Umar
Faysal al-Dib--members

The General Trade Union of Sea Transportation

Muhammad Abu-Tur--president and union representative to federation Sayyid Muhammad 'Abdallah--vice president for Cairo 'Adil Muhammad--vice president for Suez Al-Rifa'i Muhammad Hamadah--vice president for Port Said Widad Shalabi--vice president for Alexandria 'Abd-al-Mun'im Muhammad Ibrahim--general secretary

Muhammad Ahmad-treasurer
Muhammad Salih 'Abduh--assistant general secretary
'Izzat al-Hadi Ghanim--assistant treasurer
Ahmad 'Uthman Ahmad--employment officer for Alexandria
Mahmud Muhammad--official in charge of cooperatives
Abu-al-Futuh al-Sayyid 'Ayyad--membership officer
Muhammad Husayn 'Imarah--insurance officer
Ahmad al-Sayyid--industrial safety officer
Mahmud Muhammad Abu Isma'il--labor relations officer
Husni al-Sayyid--youth officer
Mustafa Shukri--education officer
Mustafa Haraji--planning officer
Muhammad Nadir--legal affairs officer
Fu'ad Mustafa--wages officer
Muhammad Haran 'Abd-al-Jalil--ground transportation officer

The General Trade Union of Educational Services

Mukhtar Yusuf Muhammad--president and union representative to the federation Halabi 'Abd-al-Hadi Halabi--general secretary
Ibrahim Mustafa 'Ali--treasurer
Husayn Muhammad 'Ali--vice president for Cairo
Muhammad Mahmud Isma'il--vice president for Upper Egypt
Fawzi Anis Samu'il--vice president for Upper Egypt
Ibrahim 'Abd-al-Rahman Abu-al-Khayr--vice president for Lower Egypt
Muhammad Zakariya Abu-al-Majd--assistant general secretary
Fu'ad Muhammad Dayf--assistant treasurer
'Abdallah Isma'il 'Amir, 'Abd-al-Hamid Hasan 'Uthman, Shawqi Hasan Hamudah,
Ahmad Salim 'Abd-al-'Al, Ahmad Husayn 'Ali, Muhammad Khalid Yusuf, Dr 'Abdallah al-Sayyid 'Umar, Hilmi 'Arafah Ahmad, Zaki Mahmud Sulayman, Tamir Ibrahim
Sulayman, Muhammad 'Abd-al-'Aziz al-Balashi, and Samir 'Abd-al-'Aziz Muhammad
Salamah--members

The General Trade Union of Railway Workers

Muhammad 'Atiyatu--president and union representative to the federation Ibrahim 'Abd-al-Fattah--vice president Muhammad Shi'rawi--general secretary Ibrahim Imam Sulayman--treasurer Yasin Sulayman 'Ali--assistant general secretary Ibrahim Hashim 'Abd-al-'Aziz--assistant treasurer 'Abd-al-Hamid Isma'il--vice president Muhammad 'Izzat Muhammad Badawi--vice president Hilmi 'Ali Ibrahim--vice president Shahhatah 'Ali Diyab--vice president Sabir Ahmad Husayn--vice president Muhammad al-Sayyid Marsa--vice president Muhammad Hamid 'Abd-al-Hamid--vice president Mustafa Mahmud Shahin--vice president Kamal Ibrahim 'Atiyah--vice president Muhammad al-Fuli Sharif--vice president Ahmad Abu'al-Fadl Ahmad--vice president 'Adil 'Ada al-Bayyumi, Jabir Salim, Abu-al-'Abbas 'Abbas, and Ibrahim Husayn Tamam--members 12

The General Trade Union of Telephone and Telegraph Workers

Muhammad Khayri Hashim--president and union representative to the federation Subhi Taha Muhammad -- vice president and industrial safety officer Muhammad 'Abd-al-Ra'uf Daraz--general secretary and labor relations officer Lutfi Mahmud Hamudah--assistant general secretary Muhammad Ahmad al-Manfaluti--assistant general secretary and membership officer Muhammad Mahmud 'Abd-al-Wahid--assistant general secretary Sami Muhammad Qabil--treasurer Muhammad Mahmud Hasanayn Kshk--assistant treasurer Husni Muhammad 'Abduh--official in charge of the Central Delta sector Mahmud Sadiq Mahmud--official in charge of the Eastern Delta Muhammad Fahmi Ahmad--official in charge of Alexandria and Western Delta sector Abu-Zayd Muhammad 'Isa--official in charge of the Upper Egypt sector Sayyid Mahmud Mansur--official in charge of the Upper Egypt sector Ibrahim Hasan 'Abd-al-Rahman--health insurance officer Hasan Yusuf Zanati--insurance officer 'Abd-al-Wahid Sadiq 'Anani--information officer 'Abd-al-Hayy 'Ali al-Malihi--education officer Muhammad Abu-Bakr 'Abd-al-Zahir--official in charge of Upper Egypt Hasan Muhammad Siyam--official in charge of Upper Egypt Rizq Mahmud and Hamid Ibrahim--members

The General Trade Union of Banks and Insurance Companies

Mahmud Muhammad Dabur--president and union representative to the federation 'Abduh Hasan Muhammad 'Ali--vice president
Muhammad Ghazi 'Abd-al-Ghani--vice president
Fahmi Abu-al-'Azm Husayn--vice president
'Abd-al-Wahhab al-Hadidi 'Abduh--general secretary
'Abd-al-Qadir Ahmad Shuman--treasurer
Muhammad Mahmud 'Izz-al-Din--assistant general secretary
Muhammad Mahmud Kilani--assistant treasurer
Ahmad 'Akashah 'Ali, Ahmad Muhammad Hasan al-Sharif, Amir Kamal al-Sayyid Matr,
Yusuf Muhammad Mu'awwad, Rabi Mansur Rajih, Murad Yusuf Murad, Ahmad 'Atif
Radi, Kamal Muhammad al-Shishini, 'Abd-al-Rahman 'Awad 'Abd-al-'Aziz, Nabil
Muhammad Labib al-'Ayyat, and Mahmud Mahmud Abu Zady-Omembers

The General Trade Union of Commerce

Ahmad Mahmud Ya'qub--president
Kamil Husayn 'Abd-al-'Awwad--vice president and union representative to the federation
Fu'ad Yusuf Tuma--vice president
Muhammad 'Ali Barakat--general secretary
Yahya Yusuf Salim--assistant general secretary
Maslub Mahmud Maslub--treasurer
Muhammad Ahmad Muhammad 'Umar--assistant treasurer
Husayn 'Abd-al-Ra'uf Hamdan--deputy
Al-Sayyid Ahmad al-Saghir--deputy
Al-Sayyid 'Abd-al-Qadir Hamidah--deputy

Najib Ibrahim Sa'd Ahmad--deputy Muhammad Khayri 'Abd-al-Latif, Salah Muhammad al-Haddad, Ahmad 'Abd-al-Hakim Ahmad, Hasan Ahmad Mansur, 'Izzat Ibrahim Khalaf, Ibrahim 'Atiyah Radwan, Fathi Sulayman Ibrahim, Hamid Salim Abu-al-'Izz, Ahmad 'Izzat Madani, and 'Abd-al-'Ati Ibrahim Ibrahim--members

The General Trade Union of War Production

Mustafa Muhammad Subhi--president and union representative to the federation Ahmad Sabri 'Abd-al-Haqq--vice president Muhammad Ahmad Kamil--vice president Ibrahim Lutfi Zanati--general secretary Muhammad Marjan 'Abd-al-'Aziz--treasurer Muhammad al-Da'udi Salih--assistant general secretary Rifa'i Ahmad Hasan--assistant treasurer Zaynab 'Abd-al-'Azim, 'Abd-al-Rahman Hasan Husayn, Mukhtar Muhammad Mustafa Zayd, Ahmad Yusuf 'Abdallah, Zaki Ahmad al-Shadhili, 'Abd-al-Ghani Ahmad 'Abd-al-Ghani, Fathi Mahmud al-Tukhi, Muhammad al-Sayyid Abu Turrah, Samir Muhammad Darwish, Hilmi Khalil Ibrahim, Muhammad Shams-al-Din Zaki, 'Abd-al-Raziq Muhammad Ibrahim, Muhammad 'Umar Hammad, Muhammad Ahmad Hasan Mustafa, and Jabir Salim Khalid--members

The General Trade Union of Postal Workers

Hasan Muhammad 'Id--president and union representative to federation
Muhammad Ahmad Mahmud--vice president
Isma'il Mahmud Musharraf--general secretary
Junaydi 'Ali Junaydi--treasurer
Hamdi Muhammad Yasin--assistant treasurer
'Abd-al-Majid 'Abd-al-Latif--assistant general secretary
Salim Mahmud Mustafa--assistant general secretary
Samir 'Abd-al-'Azim--deputy for Lower Egypt
'Abd-al-Fadil Ahmad--deputy for Upper Egypt
'Abd-al-Majid 'Ayyad, Faruq Sayyid Wahdan, Muhammad Husayn Fahmi, Sayyid 'Awad,
Hasan, Hasanayn 'Abd-al-Khaliq, Ahmad Ahmad 'Abd-al-Qadir, Ahmad al-Sa'id
'Abdallah, Ibrahim 'Abd-al-Ra'uf, Ghanim 'Ali Khafajah, Sulayman al-Sayyid
Ya'qub, Rif'at Sadiq, and Husni Qurani Basyuni--members

The General Trade Federation of Utility Workers

Mansur 'Abd-al-Mun'im--president
'Abd-al-Fattah Badr--vice president and union representative to federation
Mustafa al-Shurbaji--vice president
Hamdi al-Shami--vice president
Tawfiq al-Sharqawi--vice president
Muhammad Tal'at Hasan--general secretary
Muhammad al-Sayyid Marsa--assistant general secretary
Ahmad Mahir 'Abd-al-Latif--treasurer
Jamal-al-Din Hasan--assistant treasurer
Muhammad al-Farmawi--financial controller
Sayyid Salihayn, Ibrahim Ramadan, 'Abd-al-Raziq Qandil, Muhammad Amin Abu-al-Layl,
Hani al-Shibrawi, Qadari Hasan, Muhammad Ahmad Hamzah, Sabri 'Awad, Abut-al-Wafa
'Ali, Farqu Qasim, and 'Ali Hasan Sirhan--members

The General Trade Union of Cosntruction Workers and Carpenters

Muhammad Ahmad 'Umar--president and union representative to the federation Muhammad Fahmi Badr--first vice president and union representative to the federation

George Zarif Musa--vice president

Sayyid Taha Hasan--general secretary

Muhammad Munir al-Darghami--general secretary

Husayn Shahin 'Abd-al-'Aziz--assistant general secretary

'Atif Mahmud Tahir--assistant treasurer

Kamal-al-Din Muhammad Wasif, Hamid Mahmud Sha'ban, I'timad Salah-al-Din 'Awad, al-Sayyid Muhammad Hasanayn 'Imarah, Muhammad Taj Nashwi, Nu'man Muhammad Nu'man, Muhammad Yahya 'Abd-al-Fattah 'Uthman, Mahir Sanusi Ahmad, 'Abd-al-Rahman Tal'at Ibrahim, 'Abd-al-'Aziz 'Abd-al-Hamid Muhammad, Muhammad Ahmad Mahmud al-Nahhas, Husayn Qasim 'Ali Mujawir, and Mahmud Rif'at Hafiz--members

The General Trade Union of Air Transportation

'Abd-al-Mun'im Faraj--president and union representative to the federation Shahhatah 'Abd-al-Hamid Shahhatah--first vice president Ramadan Abu-al-'Ala--second vice president 'Ali Ahmad 'Abd-al-Rahim--general secretary Fikri Habib Sa'd--treasurer Isma'il Ibrahim Fahmi--assistant general secretary Shahhatah Muhammad Shahhatah--assistant treasurer Dr Amin Nassar, 'Abd-al-Razzaq al-Sayyid Dahab, Mustafa Sayyid Ahmad Yusuf, Ahmad 'Abd-al-Rahman, Shakir Hasan Muhammad, Samir Hashim, Ibrahim Sulayman 'Umar, Fa'izah Mahmud Darwish, Mamduh Hasan Isma'il, Sayyid Ahmad 'Abd-al-Majid, Faruq Habib Iskarus, Ahmad Zakariya al-Sharif, 'Abd-al-Latif Ibrahim, and Salih Muhammad Salih--members

12224

CSO: 4504/114

FOUR NEW SECRETARIATS CREATED IN EGTUF

Cairo AL-'UMMAL in Arabic 28 Nov 83 p 1

/Text/ Sa'd Muhammad Ahmad, the president of the Egyptian General Trade Union Federation (EGTUF) and minister of manpower, held a press conference after the general assembly of the EGTUF had completed its work on the new trade union session, which will last 4 years.

The president of EGTUF announced that it had been decided to create four new secretariats within the federation, since the coming stage requires that they be set up. The first is the secretariat of health insurance. Health insurance is wide spread and applied to large sectors of the work force in Egypt. This secretariat will study the problems and obstacles which the system has encountered during the period of its application. The study will be submitted to the federation's board of directors so that a health insurance conference can be held in which concerned parties, the health board, the ministry of health and EGTUF will take part, in order to discuss all the obstalces which have arisen in the course of the application of this system and to find solutions for them.

As for the second secretariat, it will deal with emigration and employment. Its purpose will be to care for the 4 million workers who are abroad and investigate their problems and needs, so that they can be coordinated with the department of international affairs in the Ministry of Manpower. In this way, the problems facing the workers can be eliminated. Moreover, knowledge can be gained of the labor markets in the Arab countries and the needs of their Egyptian workers.

The minister added that the third secretariat which it has been decided to create would deal with the affairs of the worker representatives on the corporate boards of directors. Its purpose will be to organize their work and learn about their problems, in order to find solutions for them and provide the worker representatives with studies and research on their area of activity. As for the fourth secretariat, it will deal with worker representation. Now that the federation has representatives in a large number of agenices and boards in Egypt, it is necessary to prepare a portfolio for each agency so that its activity can be organized.

The minister said that the board of directors of EGTUF had asked each secretariat to come up with an outline of its work plan for the new session. In addition,

The minister demanded that Arab leaders and the workers of the Arab nation take more effective and serious steps to stop the loss of blood which is going on now in Lebanon, so that brothers can come together and the innocent women, children, and aged can be protected.

EGTUF BOARD OF DIRECTORS NAMED

Cairo AL-'UMMAL in Arabic 28 Nov 83 p 1

/Text/ The board of directors of the Egyptian General Trade Union Federation (EGTUF) was formed yesterday. Minister of Manpower Sa'd Muhammad Ahmad, who was the president of EGTUF during the last trade union session, was unanimously re-elected president of the federation for the new session. Both Muhammad Ahmad al-'Aqili and Mukhtar 'Abd-al-Hamid were re-elected vice presidents. Ibrahim Shalabi was re-elected general secretary, 'Abd-al-Rahman Khadr was re-elected assistant general secretary, and Abu-Bakr Jad al-Mawla was re-elected treasurer.

Muhammad Abu Tur was elected assistant treasurer. Husayn 'Id was elected secretary for foreign affairs. Mustafa Ibrahim Mustafa was elected assistant secretary for foreign affairs.

Moreover, the new board of directors of EGTUF also includes 'Abbas Muhammad as membership and organization secretary, Mahmud 'Atiyatu as secretary for local federations, 'Abd-al-Fattah Badr as secretary for relations between work and wages, Sa'id Jum'ah as secretary for political contact, Mahmu Dabur as social security secretary, 'Asim 'Abd-al-Haqq Salih as secretary for education, training and the elimination of illiteracy, Muhammad Ahmad 'Umar as worker services secretary, Ahmad Harak as information secretary, Mukhtar Yusuf as secretary for working women, 'Abd-al-Mun'im Faraj 'Isa as secretary for cooperatives, Mustafa Manja as secretary for economic affairs, and Muhammad Fahmi Badr as secretary for industrial safety.

It was also decided to establish four new secretariats. Kamil Jasin 'Abd-al-'Awwad will be secretary of health insurance, Muhammad Hayri Hashim will be secretary of emigration and employment, Ahmad Dassuqi Khalil will be secretary of the affairs of the worker members of corporate boards of directors, and Anwar al-'Ashmawi will be worker representation secretary.

12224

CSO: 4504/114

BRIEFS

COOPERATION AGREEMENT WITH ETHIOPIA--Tripoli, Rabi Thani 12, 16 Jan, JAMAHIRIYAH NEWS AGENCY--The draft of a joint cooperation agreement between the Jamahiriyah and Ethiopia was signed in Tripoli on Sunday. The agreement was signed on behalf of the Jamahiriyah by the commander in chief of the Libyan Arab Armed Forces Brigadier Abu Bakr Yunis Jabir, and for Ethiopia by Fisseha Desta, member of the Executive Committee at the Commission for Organizing the Party of the Working People of Ethiopia. [Text] [LD170231 Tripoli JANA in English 0954 GMT 16 Jan 84]

CSO: 4519/31

BRIEFS

CEREAL PRODUCTION FALLS--This year there has been a fall in Mauritania's cereal production. Only 6 percent of the country's needs in cereals will be covered by the production. This tragic situation was announced yesterday by Major Cheixkh Ahmed Ould Dahamani, the permanent representative of the Military Committee for National Salvation, when he received the members of the diplomatic corps and the organizations accredited to Nouakchott. [Excerpt] [AB161530 Nouakchott Domestic Service in French 0700 GMT 16 Jan 84]

CSO: 4519/31

SPECULATION OFFERED ON NEW POLITICAL ALIGNMENT IN COUNTRY

London AL-TADAMUN in Arabic No 35, 10 Dec 83 pp 16, 17

[Article by Abu Bakr al-Sadiq al-Sharif: "The Rain Has Cleansed the Road for the Advent of the New Cabinet in Morocco: The Government of the Three Tasks, in a Rendezvous with History"]

[Text] The period between the resignation of the cabinet of Mr Maati Bouabid, the Moroccan premier, and the appointment of his successor, Mr Mohamed Karim Lamrani, lasted more than 2 weeks. During this period, the Moroccan legislators formed dozens of cabinets which fell one after the other with the advent of dusk and the end of the central television broadcast, which the Moroccans followed with extreme attention, while, with the birth of the new day, new cabinets came into to being only to fall by the end of the day.

Since Moroccan fears are growing regarding the possibility that the drought will be repeated a third time, the talk about the rains that have fallen in abundance in the various areas of Morocco, whose advent came a few hours after the declaration of the dismissal of Mr Maati Bouabid's cabinet, has been turned by some people into "a political joke" which various gatherings adopt with a somewhat witty spirit in order to refer, psychologically, to a silent opposition which has recently found an opportunity to breathe a sigh of relief.

If we assume that, in accordance with the regime's philosophy, the new parties are all represented in the new cabinet, then Mr Maati Bouabid has not left the structure of the cabinet for good; as the oriental proverb says, he "has left through the door of the garden in order to go in the family entrance," which is still always open to the members of the family. The organization of his party, the Constitutional Federation, has nominated him, according to specifics the king of Morocco declared on the occasion, to join the cabinet along with party colleagues who have been appointed ministers of state.

The people who had opposed Maati Bouabid's cabinet concentrated their criticisms on a group of issues and practices which could be summarized by the point that the government lacked honogeneity, harmony and the element of initiative. These circles based their criticism on the premise of party

positions. In fact, most of them shared a number of ministerial portfolios in Bouabid's cabinet. Other neutral circles recorded a number of positive points in regard to Bouabid's cabinet, which one could summarize in the point that his term had gone through what one could call a springtime of government relations with labor unions, since a perceptible development had occurred in the context of the dialogue and concern for understanding. The government's relationship also went through something similar to its predecessor's experience with the student movements. Circles which are not politicized have attributed the substance of these positive points to the man's political past. Previously he was a member of the National Union of Popular Forces headed by Abdallah Brahim, and assumed the task of heading up the Moroccan Lawyers' Federation. His name was associated with the defense of certain symbols of Moroccan political and union activity.

Mr Mohamed Karim Lamrani, who has become the premier of the cabinet of the three tasks, is finding that his appointment has satisfied the various political parties. The reason for this satisfaction may be explained by the point that his cabinet has the characteristics of a carefully calculated transitional stage. The three tasks assigned to it, according to the Moroccan king's speech on the occasion of the eighth anniversary of the Green March, could be summarized as:

Preparing for the referendum in the Sahara in accordance with the text of the decree issued by the African summit in Nairobi, which scheduled the referendum for the end of December.

Preparing for the holding of parliamentary elections in the country at a date no later than the early part of the second month of the coming year, 1984.

Seeking to remedy the current economic crisis in the contexts of organization and internal administration, while helping to prepare the economic ceiling.

The subjective element which rounds out the aspects of the general satisfaction with Mr Lamrani's new premiership is the point that the man is one of the country's venerable economic thinkers. The sum total of the distinguished duties he has assumed in his life of 64 years has proved that he is not inclined toward political stardom. He has remained an eyewitness to modern political history and the emergence of political parties without being alienated from national activity or being known for any affiliation with any political party. A rapid reading of his biography will guarantee that the reader of AL-TADAMUN is given an idea of the man who is to pilot the ship of Morocco during this delicate stage of its modern history.

Lamrani began his life in the pursuit of commercial activities, and then became a general clerk for a group of olive oil producers in northern Morocco.

In 1956, he was assigned a position in the office of the minister of national economy, then was appointed an attache to the Moroccan Phosphate Office.

In 1957, he occupied the position of general clerk of the Phosphate Orgnization and became its acting director in 1960 following the departure of the French director.

In 1960, he once again assumed distinguished positions in the private sector, where he was appointed director of a number of major companies, the African Banking Company, the Moroccan Coal Company, the Royal Airlines, the Moroccan Foreign Trade Bank and the Moroccan Federation of Banks.

In 1961 he was appointed vice chairman of the Casablanca Chamber of Commerce, then became its chairman.

In 1967 the king of Morocco appointed him director of the Sharifian Phosphate Office and assigned him a position in the royal court, besides appointing him acting director general of the Office of Mineral Research and Participation.

In 1971 he was appointed minister of finance while retaining his duties in the Phosphate Office.

In 1972 he occupied the position of deputy prime minister in charge of economic affairs, and the same year was appointed general manager of the Sharifian Phosphate Office.

In another area, in 1973 he was elected to head the International Phosphate Institute, and was given the gold medal of the Czechoslovakian Society for international achievements the same year.

This is the man. Based on this summation, in addition to the characteristic of neutrality which has immunized him against the labyrinths of party speaking and party decisions, the Moroccans attach great hopes to him in terms of putting these experiences to use in urging the country to transcend the current economic situations.

In practical terms, the Moroccan economic situation managed to draw a deep breath in the last week of the past month and the early part of this one. Concentrated efforts were crowned by this country's acquisition of a loan of \$315 million from the International Monetary Fund. It also obtained \$535 million in aid from creditor countries as well as scheduling its debts, in accordance with the meeting held in Paris with the participation of the International Monetary Fund. It also obtained about 1.5 billion through a loan from Spain and a loan of \$85 million from the International Bank for Reconstruction and Development. If to this economic relaxation we add the continuation of the austerity policy declared 10 months ago, Karim Lamrani's cabinet, as ordinary Moroccans say, will be "pleasing to the parents." The Moroccan economists "consider it fortunate," since it is coming in as the drought which had bedeviled economic conditions in the country is passing through the transition into the stage of history and the economic ceiling is in a well balanced state which could continue for more than a year to come, turning this, as these circles say, into a cabinet which has found the way paved for serious, judicious activity in the search for alternatives which can sustain the relief that has occurred, so that it may enter history through the widest of gates.

Apart from the economy, and the details governing it, which are beloved by Moroccans, there has been noticeable warmth in the Moroccan political parties' reception of the king's appeal which was directed toward them to participate in the new cabinet. The parties involved are the Istiqlal Party, the National Rally of Independents, the Constitutional Federation, the National Democratic Party, the Socialist Union of Popular Forces and the Popular Movement.

In another area, the winds of the elections have begun whistling these days. The political parties' internal life has begun to go through activities of varying intensities, some of which have risen to the surface, and some of which have been boiling on a slow flame. Thus, the reference AL-TADAMUN made earlier regarding the Popular Movement Party has been confirmed; the Moroccan papers have carried the news that Mr Mansouri Benali, the minister of transportation in previous cabinets, has been excused from all his party duties, and it is being repeated here that Moulay Ali Alaoui, the "dynamic force" in the former parliamentary group in the same party, has been excused from his party duties in turn. Circles close to this party say that the coming days will witness the dismissal of other figures from their party duties and that this could provoke much amazement.

The Democratic Party of Independence has in turn lost a number of its young leaders. In their statement of resignation from the party, these leaders stated that the reason may be attributed to the absence of democracy. Contrary to these two groups, the executive bureau of the Democratic National Party which almost faded from existence after the defeat of its symbols in the municipal elections held a meeting in which it supported the king's speech and welcomed participation in the new cabinet. In spite of the tumultuous whispers about the absence of a legal quorum at the meeting, support for the speech and a readiness to participate in the cabinet, according to intimate circles, was the position all parties took; although some persons' failure to attend may be attributed to personal disputes, this party, according to these circles, is thinking of regaining its position on the political stage and issuing its daily paper, which it had suspended a number of months ago.

11887 CSO: 4504/94

POLITICAL DEVELOPMENTS IN NEW LIBERAL CLIMATE REVIEWED

London AL-TADAMUN in Arabic No 35, 10 Dec 83 pp 17, 18

[Article by Rashid Khashanah: "Tunisia after the Establishment of Party Pluralism: The Recognition of Two Opposition Parties Changes the Tunisian Political Picture"]

[Text] Twenty years after the establishment of the single-party system, with the proscription of Communist Party activity in 1963, Tunisia has entered the stage of actual pluralism with the announcement of the recognition of the opposition Movement of Socialist Democrats and the Popular Unity Movement (temporary board).

This decision which President Bourguiba has taken comes more than 2 years after the decree removing the ban on the Communist Party in July 1981. Thus the political picture has witnessed an essential shift, which has changed relations between the government and the opposition from one state to another. The issue of pluralism had been under discussion since the seventies, but the regime, in the era of Hedi Nouira, the former prime minister, met this demand with rejection. Finally, Mohamed Mzali ascended to the premiership in April 1980, bringing with him a program for phased liberation which ended the existing severe disturbances in the relationship between the people in the opposition and the authorities.

Some observers have commented on the decree recognizing the two opposition movements by stating that it came about 2 years later than scheduled. This statement refers to the fact that the two recognized movements participated in the general parliamentary elections alongside the Communist Party and the ruling Destourian Party on 1 November 1981. However, this historic opportunity was wasted; the two movements did not obtain legal recognition, nor were any of their candidates even allowed to enter the sactuary of parliament.

What prompted some observers to make this comment were the contents of a statement by Prime Minister Mohamed Mzali when he came out of the Carthage Palace announcing the important decision President Bourguiba had taken and pointing out that the two movements had taken part in the elections of 1 November 1981.

Does this statement mean that participation in these elections is the criterion for the recognition of opposition parties? A source close to the premier asserted to AL-TADAMUN that this interpretation does not reflect the actual situation and that the criteria for recognizing parties were enumerated by President Bourguiba in the exceptional conference of the Destourian Party in April 1981, most importantly the condemnation of violence and nonallegiance to foreign powers.

However, in spite of the validity of these assertions, which were supported by Mzali's statement when he declared the imminent amendment of the law on parties for 1959, "which has become too narrow to encompass the system of political life," the movements which are excluded from the recognition decree are the ones which did not take part in the latest parliamentary elections. These are the Popular Unity Movement -- Political Bureau, which is headed by the former minister of the economy Ahmed Ben Salah, who has been a refugee abroad since 1973, the Islamic Tendency Movement, a number of whose leaders and personnel are still under detention, and the Socialist Grouping, which includes left wing figures who took part in the leadership of the secret organizations that challenged Nouira's regime and were imprisoned for long periods of time in the seventies, then decided to turn to function in the context of legality in recent years.

What, then, distinguishes the Movement of Socialist Democrats and the Popular Unity Movement (temporary board) from the other parties? The Movement of Socialist Democrats started assuming concrete form at the beginning of the seventies when a number of leaders in the Destourian Party, headed by Ahmed Mestiri, became convinced that democratic change from within the system was impossible, especially after the first and second Monastir conferences of 1971 and 1973, which decided to expel Ahmed Mestiri and a number of his aides, such as Beji Caid Essebsi, the present foreign minister, and Sadok Ben Jomaa, the current minister of transport and communications, from the party.

Starting with the 20th anniversary of the independence of Tunisia, on 20 March 1976, the movement began to appear on the political scene and function as an organizational body whose features did not become fully rounded out until it obtained a franchise to issue a weekly opposition political newspaper titled AL-RA'Y. However, the violent confrontation between the Federation of Unions and the regime in the 26 January 1978 events suspended the activity that the opposition and the authorities had been trading back and forth and the hard-line wing, under the leadership of Nouira and Abdallah Farhat, the former minister of defense, prevailed over the moderate wing within the regime. This move toward the adoption of a hard position motivated some leaders of the Movement of Socialist Democrats to be afraid of going along with the notion of declaring the establishment of a new party which Mestiri had raised within the movement in the first months of 1978. The dispute between the two currents ended with a rift, and Mestiri and eight leaders established a party in June 1978 bearing the name of the movement, while the other current contented itself with running the newspaper AL-RA'Y while waiting to go back to the Destourian party, which it did in 1980. The most prominent symbols in this current were Beji Caid Essebsi, Sadok Ben Jomaa, Habib Boulares, former minister of information and now

deputy in parliament, and Habib Ben Ammar, who refused to return to the ruling party and continued to manage AL-RA'Y, turning it into an independent platform open to all forms of opposition.

After Mestiri and his comrades had endured for two critical years, they obtained a franchise to issue a new newspaper in the name of their party, the weekly AL-MUSTAQBAL, at the end of 1980.

The movement's participation in the 1981 elections was a factor for forward movement and contact with groups of people in numerous areas which enabled it to appear to have the status of a strong movement. This was underlined by successive sessions of the National Assembly and the AL-MUSTAQBAL festival. This growing party status and the regime's refusal to recognize the movement prompted its personnel to decided at the latest National Assembly to hold the movement's founding conference before the end of this year. That decision was embarrassing to the authorities, because the movement had started to function as an existing party which had firmly imposed its existence but had not been given a permit by the regime. There is no doubt that the decree of official recognition has solved this political and legal difficulty.

The Popular Unity Movement was established by Ahmed Ben Salah in 1973, after his escape from prison, where he was serving a 10-year sentence the supreme court had handed down against him in 1970 in the context of a plan Nouira had set out to liquidate his adversary, the strong man of the sixties. After the movement had gained currency domestically its personnel were arrested in 1977, then released at the end of the seventies. However, a deep rift appeared in its ranks in 1981. The majority of the political committee remained loyal to the secretary general, Ahmed Ben Salah, while the other wing, under the leadership of Eng Mohamed Belhadj Omar, contested the founder's leadership and formed a party bearing the same name. It soon obtained a permit to issue the weekly newspaper AL-WAHDAH, and decided to take part in the 1981 elections, while Ahmed Ben Salah boycotted them.

Therefore, political circles raise an urgent question regarding Ahmed Ben Salah's fate following the recent liberalization measures. However, no one has an answer, because no one controls the decisions in this matter except President Bourguiba himself, although numerous informed sources assert that Mzali is tirelessly working to bring about a decree to permit the founder of Popular Unity to return and engage in activity domestically.

Whatever the timing of the solution to this issue might be, the movements which have not been recognized are unanimous in considering this event a positive step.

The Islamic Tendency Movement saw in it "an opportunity to support the struggle for democracy and pave new roads toward it."

The Socialist Grouping considered the event "a victory for the democratic movement overall and an important, valuable gain for Tunisia, in view of the new impetus it entails for the course of pluralism and the affirmation of the experience in liberation which the country has ventured on in recent years."

In addition to that, the Communist Party responded to this decree positively. However, these parties have unanimously agreed to the demand for declaration of a general legislative amnesty and progress toward recognition of the other movements. They are also unanimous over the appeal that all formulations of exceptions to the law on parties that it is intended to set out should be abandoned.

However, it is certain that the decree to recognize two new parties will cast its shadow on political life and will turn actual pluralism into one of the slogans of the coming stage. High-level sources asserted as much to ALTADAMUN and expected that the beginning of 1984 would witness the declaration of new steps in the direction of liberation on the political and legislative levels.

11887 CSO: 4504/96 SA'D HADDAD SPEAKS ABOUT HIS CAREER, ILLNESS

Tel Aviv YEDI'OT AHARONOT in Hebrew 18 Nov 83 p 5

[Article by Smadar Peri: "Major Haddad: 'They Prayed for Me'"]

[Text] We never talk about the terrible disease; we don't even hint about it. But the disease speaks for itself: The balding head, the swollen features, the dark reddish color of the face. Later, in the course of the conversation, he repeatedly mentions God, working His name into the context of his speech. That, too, is a sign of the disease, at least as far as this man goes. Major Sa'd Haddad opened the door himself, dressed in a loose robe from which light pyjamas peaked out. He is here in Israel for medical treatment. He needs a little rest, for which he apologizes. He sits down and lays his tow feet, in bedroom slippers, on the small table in front of him. Later, he will offer us coffee, which he pours from a thermos. It is thick, Turkish coffee, a little bitter, which he brought from home in Marj 'Uyun. When they call from home, to hear the report on his health, he listens politely and then says, "I'm fine; I just need another day or two of rest." "They're praying for me," he says, as he stands up, takes a syringe, opens the refrigerator and drips a liquid medication down his throat with the help of the syringe. Once, and then again, and again. "Now, I'm ready," he smiles. "We can start."

"We, in the field command, planned the war in Lebanon for a year, independently of the IDF and its plans. There was a specific reason why we wanted to go to war. I thought we should stop at Beaufort, at the Zahrani. I wanted Sidon, the social center of Lebanon, the hub of the wheel, to be under our control. So I planned to go with my forces up to Beaufort. The plan was entirely ours. We wanted to fight alone, without the help of Israeli soldiers. It was essential for the security of the area and for its future.

"Of course, we knew in advance about the Peace for Galilee operation. I sent men down, as far as Sidon. My men wanted to fight with you, for our own good, for the common good; to knock out the mortar guns and the terrorist nests.

"I wanted my troops to fight. I was adamant about it. When I found out that the Phalangists were not going to join in the fight, I prepared a force and sent people to the Awwali. We wanted to conquer Burj al-Barajinah even before the Israelis entered Beirut.

"We wanted to fight to liberate Lebanon. Jumayyil did not want us to reap the glory. But I said: Why should Israel be the liberator? We reached the Awwali and then they objected to our participation. Bashir was afraid that later people would say that Sa'd Haddad had led the liberation. Israel listened to Bashir.

"Was there any need for the IDF to go beyond the 45 kilometer strip? There is no easy answer to that question. I can't answer that question."

Haddad is known everywhere. Over the years, he has acquired an international name and reputation. His English improved and reporters from around the world have found him to be a comfortable and friendly subject to interview. The ones he likes, he invites out for a ride in his jeep. Everywhere he goes, one can spot the uniformed men who accompany him. There was a time when he traveled with seven body guards. They accompany him everywhere, even to his "base" in Israel, the Arazim Hotel in Metulla. Even those who called him "the man with the public image" marveled at his personal modesty. More than once they wrote about his loneliness.

"Loneliness, yes, miserable loneliness. Many times I have felt myself to be alone. Solitary. I was downcast. It was not easy for me. Sometimes I thought of leaving, of leaving everything behind and beginning to watch out more for myself, my family and our personal interests. Once I even resigned. It's true that I'm known for my moods, my ups and downs. But I am not ashamed of that. I look forward to the day that someone will rise who is capable of replacing me and guaranteeing that he can overcome all the difficulties that exist. Each time I thought of leaving, I also thought: What will become of all these good people, the innocent people who placed their trust in me? What would happen to them? It would be a disaster. I knew that if I left, there would be a disaster, perhaps even a brutal massacre. As for me, I would be abandoning the mission I had set out for myself and I would suffer for the rest of my life. I wouldn't be able to sleep nights.

"There was a time when I was offered money. I knew that if I accepted the offers, I could live like a prince. But how could I? I also knew that if I left, everything would fall into Syrian hands. So I told the people who made the offers: The hell with your money.

The Americans were sure that if they offered me money, I would jump with joy, leave and not bother them anymore.

"They told me to give them the name of a Swiss bank where they could open an account for me--up to half a million dollars. Will that be enough for you, they asked. They were ready to pay even more. What's more, they said I could choose a place to vacation with my family, in Europe, and later move to the United States for a couple of years. They called it a "training course." The point was to get me out of here. I told them: You've come to the wrong person; I don't want to play your dirty game. They were shocked, amazed. They never thought I would refuse. I told them: It's true. My life may be in danger, but I prefer to be on the front lines, with my family.

"I know that I'm a different kind of man. Maybe someone else would have jumped at the opportunity to escape the daily problems and dangers. Why am I different? I don't know. It must be the way I was conceived in heaven."

On the Boat, I Saw Israelis for the First Time in My Life

Sa'd Haddad was born in Marj 'Uyun 46 years ago. He does not know the exact date and does not celebrate birthdays. His father also served in the Lebanese Army. After finishing high school, he entered the military academy in Fayadiyah for 3 years. In October of 1957, he joined the Lebanese Army, starting out in the infantry, 4th division. In 1960, as part of his service, he was sent for training to France. In 1973 he attended a longer training course in the United States. When he returned to Lebanon, he moved to Beirut.

"A few weeks ago, I marked 7 years since I moved back to the south. The chief-of-staff, Hana Sa'id, invited me to his office and informed me that I had been chosen to go south and establish order. That was a direct order from President Sulayman Franjiyah. In the north they were looking for someone who could take charge of the southern command, someone with roots in the area, an experienced and loyal officer. The reason was simple: They wanted to block a potential tie with Israel.

"That was in October 1976, at a time when Syrian forces had entered Lebanon. Our military command was caught off guard. They were afraid that the Syrians would accuse them of maintaining contacts with Israel. So an officer like myself, with a strong military background, who was also a native to the area, seemed to be the most logical choice.

"At night, fully armed, I set out to sea on a boat. With me was Jisan Humsi, the former southern commander, whom I was replacing. There, far out at sea, opposite the coast of Juniyah, a ship awaited us. The crew members were all Israelis. We sailed through the darkness and in the early hours of the morning reached Haifa. This was the only route to reach southern Lebanon, and these were the official orders I had received. Everything was carried out quietly. From Haifa, we set out to sea again, heading for southern Lebanon. And that's where I've been since.

"On that ship, I saw Israelis for the first time in my life. I was not afraid; I had met Jews before, but I had never met Israelis until that night. I had no preconceived notions against them. Even before the first contact was made, I knew that Israel had been helping Lebanon. I also knew that if some Arab country were to overthrow Israel—it would just be a matter of time before Lebanon's turn would come."

Sa'd Haddad claims: "I warned you about Amin al-Jumayyil." He calls his president and his family by names that can't be printed. "I knew them. When Bashir was elected, there was great rejoicing in Israel. But in your army, people knew the truth, as I did. Arik Sharon knew, too."

Then he revealed: "There were people among you who falsified reports, not writing the truth. They preferred to conceal facts. Perhaps they preferred

to pass on information that substantiated the prevailing beliefs in Jerusalem. I told them: The Jumayyil family has dirty hands. Anyone who touches them will get dirty.

Once I met with Pierre al-Jumayyil, the old fox. I told him: The world has changed; we must adjust to a new political reality. With me were Israeli officers. He told me: I respect you and what you've done, but don't show up for a visit with Israelis. I said: I don't operate under the table; if we accept help from Israel, secretly, we will fail; it must be in the open, above board. We sat for 2 or 3 hours and talked. Afterwards, we went out for a drive in the car. When we parted, Pierre al-Jumayyil told me: Keep your distance form the Jews."

Did They Give Me Orders? Never!

The telephone rings. Haddad paces his steps carefully as he walks toward the phone. Picking it up, his voice booms: How are things in Marj 'Uyun? Are you watching out for my interests? Call tomorrow to report. If there's a problem, don't hesitate to call for me.

"I'm still optimistic. I still believe in what I'm doing. Even if Lebanon falls to Syria, I believe that salvation one day will rise from the south. I maintain an army and I am ready to use my forces in a liberation campaign. I would never allow part of Lebanon to be annexed to Syria. I am preparing my people for such a possibility. Slowly, with determination, we will be able to move the mountain.

"I'm trying to build a country based on faith, trying to infuse a sense of patriotism into society. Take the south as a good example. I'm not willing to work for al-Jumayyil's mafia. The time has come to build a new mentality in Lebanon. Not that I'm Don Quixote, but there are a lot of people who will follow me. Southern Lebanon is exemplary, a symbol. Many, even in the north, would have liked to see Haddad take over and govern Beirut, or at least establish a military government there. They were shocked when al-Jumayyil was elected and not me. How did that happen? Politics.

"Never, never in my life would I have allowed my people to perpetrate a massacre. Not even against the PLO. I explained to them that when you kill unarmed people, it is a sin. Then came the massacre in Sabra and Shatilla, the lying Phalangists. I told them: God will punish you; I know that you, the Phalangists, are responsible for this massacre. And now they are being punished as I promised them. Later, I asked to appear before the Kahan Commission. I wasn't invited; I volunteered. I felt that Israel was accepting blame that was not hers to bear. What for? The Phalangists perpetrated the massacre. I told them in Jerusalem: You can unequivocally determine that the Lebanese did this. And that's that. The issue should be closed."

Haddad talks a great deal about "his people." His affection seems to have a possessive quality. His is a strange army of farmers and Haddad himself, a heavy man of average height, is a combination of villager and military man. He is very reminiscent of the carpenter from Tel Adashim, so it is not surprising that they found a lot in common with each other. Later, Haddad expressed his opinion about Raful and recounted anecdotes in military style, full of a fighter's pride.

Haddad walks like a simple man. His steps are heavy. He controls his people without orders.

"Orders? They asked Yanoush on television how he got along with me and whether or not he gave me orders. He never did. That wouldn't work with me. I've thought a lot about the subject of orders and I've even brought up the subject in conversations with some of your officers. The PLO is our common enemy. We must fight them together. But orders? God forbid!

"We have discussions. We sit down and talk and consult with each other. From the start I made it clear that I would not accept orders or instructions. Sometimes, the friendships that have developed with some of the officers have gotten in the way. In one instance, Israel tried to give me orders and there was a falling out. Now, that has been resolved. I've gone through four Israeli ministers of defense and three chiefs-of-staff and many, many officers. I explained to all of them that I am an officer just as they are and that I am well aware of my responsibilities.

"The way I make decisions is extremely simple: I consult with my people. But in the final analysis, the responsibility is mine. I gather them together and explain the situation. I listen and later I decide. Usually I convince them. I'm not impulsive. I formulate my decisions at home, for the most part, often before I fall asleep but sometimes in the office. Of course I also consult with the Israelis.

"In 1977, the Lebanese Army stopped paying our salaries. One day, I met with Prime Minister Begin. The meeting was private, just the two of us. I told him about our dilemma. We asked Israel for a loan. To this day, we receive our salaries from Israel. I see it as a loan which I hope we'll be able to repay.

"We don't ask for a lot. Our pay is very low and not sufficient. None of us leads an aristocratic lifestyle, but it's hard to get along on what we earn. That's why we started collecting taxes. The people pay taxes on goods and cargo at the port of Tyre and on gasoline."

We Arrested Your Relative; His Life is in Your Hands

For the most part, Haddad wears a combat uniform and an IDF work hat. In his village, he has a two-story home. There, he lives with his wife and six daughters. They have a radio and a telephone and they occupy only the ground floor, out of fear of bombings.

"My wife deserves a medal. She suffers in silence. At a certain point in time, during the war, when my home became an object of attack by terrorists, the Israelis suggested that we move to Qiryat Shemona. I took my family without even going to look at the house first. I thought about my people. How could I move my family to Qiryat Shemona? What would happen to my people? My family has sacrificed a great deal for the cause. They never complain. I hope that one day someone will give my wife a medal."

In southern Lebanon, the major is an unusual phenomenon. Anyone who speaks with him forgets that he is sitting with an officer in the Lebanese Army. His character and his public image today are more than anything like an Israeli officer. "I'm straight forward. I don't hide the facts from my people. If it comes to the point where I am no longer able to continue, I will get up and tell them the truth. I never make promises I can't keep.

"I'm proud of the quiet I've achieved in the south. We have achieved democracy and equality. I am greatly respected by the people. Each of them knows me and believes that he is part of the region and the country and that while has has rights, he also has responsibilities.

"In the north? There, the people do as they please, but not intelligently. Sometimes they are miserable. They don't think about anything except themselves. They push each other around, they try to conquor each other. They exploit each other. I believe that every Lebanese citizen is entitled to equal rights. And that's what I implement in the field. People of all sects serve in my army. That's an example people in the north should learn from."

Haddad's political views are clear, concise and pointed. The Syrians and the terrorists must be removed from Lebanon. He sees Israel as an ally, and hopes that Israel sees him in the same light.

"Now I'll tell you a story that has never been publicized. In 1977, a young relative of mine named Sulayman Nisham was staying with me. He was a native of Syria. One day he received a draft notice from the Syrian Army. He left for Damascus and there, at the airport, they were waiting for him. They threw him into the well-known (Almaza) jail. "They" knew about his relation to me.

"My sister went to Damascus to visit him. She returned with a note which read: 'We have your relative. His life is in your hands. We want you to continue working with Israel, but we also want you to be a Syrian agent. If you refuse—we will kill the boy.' For starters, they asked me for names of people in Lebanon cooperating with Israel. My sister came to me crying hysterically and asked: What will we do? They will murder him in cold blod.' I told her: 'Go and tell them this: Haddad refuses. You're barking up the wrong tree.' So they killed the boy. And I still have the note."

How Long Can I Go On? It Depends on God.

Sa'd Haddad does not have a team of Hebrew translators. He learns about the mood in Israel by listening to Radio Israel broadcasts in Hebrew and through conversations with friends. He is only slightly familiar with the Israeli press. Sometimes, when an interview appears in the press, someone translates it for him or tells him what it is about. There is no need to have translator, he says. "Whatever I need to know, I know."

"What Israeli figure made the strongest impression on me? It's hard to say. I have many friends. I don't want to name names. I had a good time with Yanosh. There was an understanding between us and good feelings, like among relatives. Yanosh is special to me; Raful, too. Raful is an excellent soldier, straight as an arrow, a very strong personality, highly decisive. I think Raful likes me. We've developed a special relationship. He once called me Hannibal.

"I have nothing to say about Arik Sharon's resignation following the investigative committee's report. I have nothing to say about former Prime Minister Begin. I just refuse to get into those issues."

"After a difficult session in Nahariya one night, between Prime Minister Begin and Bashir al-Jumayyil, my faith in Israel was restored," says Haddad. "I found out that there had been an argument over the status of Major Haddad. Jumayyil stood firm--but Begin stood more firm."

"I never thought Israel would abandon me. I informed the Israelis: You owe me nothing, nothing at all. You don't even have to help out! But the truth is, I need you.

"Later at a meeting with Amin al-Jumayyil when he was a presidential candidate, I told him: 'I know you'll be elected. And you should know this: All the Arab nations are your enemies. They don't want us (Lebanon) to survive. The best thing to do is maintain good relations with Israel.' I suggested that we present Syria with an ultimatum to withdraw from Lebanon within 24 hours or we would declare war on them.

"Amin chose his words carefully: 'We are a poor country. Our economy depends on aid from other Arab nations.' I told him: 'Amin, you have to choose--either forget the money or we'll lose the country.' Bashir, had he lived, would have acted just like his brother Amin. He's an Arabist, too. When he became, he knew he was elected with Israel's help--but then he started to withdraw.

"When Bashir was elected, the people wanted to have a big celebration. They came to me, in the south, asking if they could put up posters. They wanted to have a military parade and a speech. I asked: For whom? They said: America. I asked: Why America? Why not Israel? I told them: I want posters with Israel's name on them, because if not for Israel, Bashir would not have been elected. I asked them to remember the soldiers who had fallen. They said: If we thank America—Israel will be happy. I said: But Israel is a sovereign nation. They replied: We will talk to Bashir. I said: Go and talk. They never came back and so there never was a celebration in the south."

Sa'd Haddad and his relations with Israel have seen their ups and downs. With all his charm—and who wouldn't fall for his special magic—there were many among us, even within the defense system, who viewed our relations with him with a critical eye. They did not hesitate to mention his moodiness, he threats of suicide and resignation. In our press, he was called a controversial, hated figure—more than once. People who are close to him would swear that Haddad is truly patriotic—to Lebanon, of course.

"A quisling? They called me a quisling? What is that? I've never even heard the word."

"Every time people in Israel recognize me on the street, I get excited all over again. I feel your love for me flowing from the heart. It's not false love. Here, I feel at home; I don't feel like a stranger. Sure, I've heard that there are people who don't like the relationship I have with Israel and don't believe in what I represent. What can I do? They may find out that they're wrong.

"How much longer can I keep going? It all depends on God. It is He who gives me strength. I believe that God sees what I'm doing and won't abandon me. I've had a hard life. But there were always miracles. How many times have people made attempts on my life? Until now, I've always pulled through. Now, not everything depends on me.

"My doctor, Professor David Bartzelai, warned me years ago to change my lifestyle, to reduce the tension in my life. He told me to take off 2 days a week, to get away, to go on a vacation. If you don't listen to me, he said, things will go poorly. I didn't listen. Who had time?

"And now--with God's help--I'm ready to go all the way, until my country is liberated."

9811

CSO: 4423/20

BRIEFS

CONDITIONS AT GALILEE HOSPITALS--Hospitals in Tzefat and Tiberias are in a state of emergency as far as providing health services to residents of the Galilee. In these hospitals, which serve a population of 200,000 in northern Israel, there have recently been serious shortages of drugs. Dr Gabi Kana'an, head of the Poria Hospital is Tiberias and the hospital in Tzefat, reported that the supply of medications in hospital pharmacies has dwindled to the point that only emergency provisions remain. Dr Kana'an said that after ordering the equipment and drugs allowed by the Ministry of Health, the hospitals are expected to rely on their own resources. However, after only 2 months, supplies in the emergency shelters and pharmacies are down to almost nothing. The Tzefat facilities general manager reported yesterday that there was a freeze on ordering supplies and medication, but that the Ministry of Health had allowed additional purchases based on the existing demand in these hospitals. However, he said, this will not completely alleviate the serious state of depletion and significant sums would have to be allocated to replenish supplies fully. [Text] [Tel Aviv 'AL HAMISHMAR in Hebrew 16 Nov 83 p 8] 9811

MINERAL DISCOVERIES—Significant concentrations of mineral reserves essential to Israel were discovered in the course of geological survey conducted in order to draw new, detailed geological maps of various areas in Israel. At issue are known mineral deposits which were previously thought to be so insignificant that they would not have been worth developing. The new maps, prepared on a 1:50,000 scale, were produced as part of the Geological Institute's plan for developing on earth science foundation. The maps, only some of which have been published thus far, are in great demand among engineers, planners and area environmentalists. In order to accomplish the mapping, Geological Institute personnel surveyed the area, marked boulders and examined the surface of the territory. This gave them a good indication of the structure of the sub-strata. [Text] [Tel Aviv YEDI'OT AHARONOT in Hebrew 17 Nov 83 p 12] 9811

CSO: 4423/20

FINANCE MINISTER DISCUSSES NEW STOCK DEBT LIQUIDATION LAW

Kuwait AL-RA'Y AL-'AMM in Arabic 23 Nov 83 p 7

[Article: "The Minister of Finance: In 3 Months Law 100 for 1983 Has Realized Achievements the Other Laws Did Not Attain in 10"]

[Text] Shaykh 'Ali al-Khalifah al-Sabah, the minister of oil and the minister of finance, made a statement in the National Assembly whose text is as follows:

Your excellency the chairman, honored brothers:

In response to the statements raised regarding the execution of Law 100 for 1983, allow me to state that the most important amendments this law has introduced into the decree on Law 57 for 1982, Law 59 for 1982 and Law 75 for 1983 included the following:

- 1. Bringing to a conclusion the terms of the debts arising from transactions which had not fallen due by 14 August 1983, the date on which Law 100 for 1983 went into effect.
- 2. Settling these debts on the basis of the immediate price on the day the contract was concluded plus a percentage of profit representing the difference between the term purchase price and the immediate price to cover the period which had elapsed by the date on which the terms of these debts fell due, provided that this percentage not exceed 25 percent.
- 3. Review by the arbitration board of the decrees transferring persons to the organization or preventing the disposition or retention of money in the light of this law which it issued before this law went into effect.

In carrying out the provisions of this law, the following has been done:

First, the Kuwait Settlement Company has returned the debtor and creditor accounts of all the people who have or have not been transferred in accordance with the principles stated in Article One of this law, so that debtors who have not been transferred to the organization may re-establish their accounts with their creditors and settle and pay off their debts in

execution of the provisions of this law and the organization can set out reports on the financial condition of people who have been transferred to it and present them again to the arbitration board to review the decisions that it had issued before this law went into effect, making transfers to the organization or preventing disposal or retention of their money, and also so that the arbitration board may review the transactions on which it had not rendered judgment by the time this law went into effect, in accordance with the new principles for the settlement of debts.

The Settlement Company

There is no doubt that the work the Kuwait Settlement Company has carried out, as stated above, required great effort on the part of all the people working in this company, in view of the difficult procedures for recomputing all checks, receipts and coupons relative to each activity in isolation, so that the accounts of the people conducting the transctions would conform to the provisions of this law.

An Immense Job

The Kuwait Settlement Company has in fact succeeded in carrying out this immense job in a shorter time than had been expected. This achievement has had an effective influence on the course of the arbitration board's work and the settlement of debts that had not been transferred to the organization. This job would not have been a success had it not been for coordination between the Kuwait Settlement Company and the arbitration board, and the exertion of unlimited sacrifice on the part of all the people working in it.

Second, on the other hand, the organization settling term transactions related to company stock has, after acquiring data and information, settled the debts by the new principles, performed coordination with the Kuwait Settlement Company and the arbitration board, and adopted the following measures:

- 1. Preparation of reports on the financial conditions of all the people transferred to it, in accordance with the principles set out in Law 100 for 1983 regarding the settlement of debts. It presented these to the arbitration board in the middle of September 1983, before a month had elapsed from the date this law went into effect, so that the arbitration board would review its previous decisions on transfers to the organization and prohibition of the disposition or retention of money, in execution of the provisions of Article Five of this law.
- 2. On 1 September 1983 the organization established a specialized agency to which it assigned people who had expertise and competence in accounting and account affairs, to provide all the data and information bearing on the assets and liabilities of the people transferred to it, in order to arrive at the estimated dinar worth of each person transferred. This agency assumed the responsibility of gathering and classifying the information and data from the basic files on the transferred persons and from notices from their creditors and debtors, as well as the data presented by the Kuwait Settlement Company in the case of debts arising from term stock transactions

between the transferred persons themselves and other persons. In addition, it is worth pointing out that this specialized agency's task of arriving at a dinar appraisal concerning every person transferred was not restricted to the gathering and categorization of the information available to the organization; rather, it required handling this data through mathematical equations at the Kuwait Insititute of Scientific Research since every person who was transferred, especially the important ones, had complicated relations with other persons and widely dispersed assets and liabilities which differed in terms of level from one transferred person to another.

3. On 3 October 1983, this agency finished setting out the appraised value in the case of each person transferred, and these results were announced with respect to the first 17, the important transferred persons, on 4 October 1983 before 2 months had elapsed from the date on which this law went into effect. This achievement would not have occurred had it not been for the joining of efforts and coordination between the arbitration board, the Kuwait Settlement Company and the organization.

95 Percent

It is worth pointing out that the magnitude of the credit and indebtedness of the 17 transferred persons whose dinar worth has been declared comes to about 95 percent of the overall credit and indebtedness that arose from term transactions related to company shares, even after the reductions in the volume of the indebtedness in accordance with the principles stated in Law 100 for 1983, in the case of transferred persons, and to about 80 percent in the case of all people conducting transactions. Forms of statements on the financial position of the transferred persons are now being readied in the organization preparatory to their publication in AL-JARIDAH AL-RASMIYAH, so that the persons concerned may read them. Thus the procedures for specifying these conditions, on whose basis the amicable settlements stipulated in Article Eight of Law 75 for 1983 will be carried out, are to be completed. One should note that the period within which it had been stipulated that the effort to carry out these settlements should be made is 6 months of the date on which the arbitration committee upheld its previous decrees on transfers to the organization.

4. In completing the abovementioned procedures the organization established a technical agency which has been in charge of administering the transferred persons' money in a manner which would satisfy their interests and those of the group of creditors. This agency has been assigned to investigate all the transactions the transferred persons carried out in the period of doubt, which the provisions of Article Eight of Law 100 for 1983 specified as 2 years prior to the entry into effect of the decree on Law 57 for 1982. This required the formation of two internal committees of board members. Of the first, the legal committee, chaired by a judge, one of the most important areas of specialization was to summon all transferred persons to provide final data on rights and commitments and issue the necessary recommendations on the adoption of penal measures in the event the suspicion existed that transferred persons may have concealed some of their money and transferred it outside the country, or changed the facts in the data they presented.

Second is the commercial and real property settlement committee. One of its most important areas of specialization has been to investigate transactions the transferred persons concluded during the period of doubt which were not carried out for a reason attributable to irregularities on the part of either of the parties to the contract in executing his commitment or to the failure of either to pay the balance of the price as a result of disruptions in his financial conditions. One should observe that the value of the contracts made in this period was exaggerated to a degree that has rarely been witnessed and therefore this committee is calling in the persons involved in order to negotiate with them over these contracts then issue recommendations that they be abrogated or that their execution continue in a manner which will satisfy the interests of the group of creditors. In addition, the committee has issued its recommendations abrogating some real estate transactions whose value came to 163,135,645 Kuwaiti dinars and it is now reviewing the issue of the abrogation of other such transactions which took place during the period of doubt, in order to issue suitable recommendations in their regard. The legal measures to approve the recommendations this committee issued are now being completed, through ordinary courts or the arbitration board, according to the case.

The organization has also taken over all the cases the lawyers' offices had initiated as attornies for the people transferred to it. The legal department in the organization is now initiating them and there will be no financial burdens on the transferred persons. One should bear in mind that the number of cases being reviewed by the courts totals 200, and that it is expected that this number will increase greatly as a result of the submission of the organization's cases against people in debt to transferred persons to ordinary courts or the arbitration board, in order to demand repayment of their debts by these debtors, whether they arise from term stock transactions or other transactions.

In order to realize the purpose in the issuance of Law 100 for 1983, which is to reduce the debts resulting from term stock transactions and also to settle these debts rapidly, Council of Ministers' Decree 46 for 1983 was issued amending some of the provisions of Decree 57 for 1982 regarding the regulation of bonds guaranteeing term shares, which had the goal of reducing the maximum total sums to be paid out by the fund to guarantee the rights of the creditors in the case of any person owed half a million dinars. This reduction had the goal primarily of keeping the capital of the fund, which Article Eight of Law 59 for 1982 had stipulated, from being exceeded. For this reason, the requirements of retaining the general reserve money of the government demanded that this reduction be carried out; it is also, in addition to the foregoing, in keeping with the objective in issuing Law 100 for 1983. The reduction of the maximum level of these amounts will have the effect of prompting creditors to hasten to carry out settlements with their debtors, on grounds that the fund will not make payment to any creditor until a decree is issued by the authority transferring the person in debt to him to the organization.

There is no dispute that this measure will reduce the number of people transferred to the organization. On top of that, it will encourage people conducting transactions to settle their debts in accordance with the

principles stipulated in Law 100 for 1983, without waiting for the issuance of rulings by the arbitration board concerning these debts or the issuance of decrees by the board transferring their debtors to the organization. The role of the creditors will then be restricted to appearing before the arbitration board to approve the settlements made with their debtors, a matter which will realize the goal behind the issuance of Law 100 for 1983.

Steps and Measures

Third, following a review of the measures and steps which the Kuwait Settlement Company and the organization to settle term transactions related to company stock have carried out in a short time in comparison with the period that followed the issuance of Law 59 for 1982, no one doubts that in the short period that has passed, which is close to 3 months, the activities stated above have been completed, and principles have been set out which will help liquidate debts, dissolve complex interrelationships and effect a settlement among transferred persons and between those persons and others who have not been transferred, now that the exaggerated indebtedness has been reduced. This has actually eased the payment of debts among the persons conducting transactions, since as soon as the Kuwait Settlement Company recalculated the amounts credited and debited, some debtors automatically made payments among themselves while others made settlements then presented them to the arbitration board for approval. These settlements were carried out in accordance with the principle enunciated in Law 100 for 1983. This settlement would not have occurred before the reduction in these debts, because of the great exaggeration concerning their value; our evidence for that is that the value of the checks which were issued as a result of payment to creditors through the Kuwait Settlement Company in execution of the provisions of Law 59 for 1982 up to 13 August 1983 came to 350 million Kuwaiti dinars, while the value of the checks issued after the provisions of Law 100 for 1983 went into effect, up to this date, come to 300 million Kuwaiti dinars. By making a comparison between the payments the debtors made in 8 months in execution of the provisions of Law 100 for 1983, the extent of the success the recent law has achieved, and the accomplishments it is likely to realize in the future in carrying out repayments among the people conducting the transactions, through the Kuwait Settlement Company, the performance of amicable settlements or the execution of the judgments of the arbitration committee through the executive department, will become apparent.

Transferred Persons

In addition, it is worth pointing out that the organization intends to issue provisions by the arbitration board favoring transferred persons in the case of confrontations other persons have made with them concerning transactions they made jointly; the value of these transactions, before their resettlement in accordance with Law 100 for 1983, came to about 9 billion Kuwaiti dinars. In addition, it intends to issue judgments of about 6 billion Kuwaiti dinars on behalf of transferred persons against persons who have not been transferred.

The arbitration board is on the verge of issuing provisions bearing on all these transactions.

There is no argument that the issuance of judgments in favor of transferred persons in the manner stated above will greatly help the consummation of the process of settling all the debts arising from these transactions, which the organization to settle term transactions related to company shares is now carrying out, and these settlements will be announced in the near future.

Fourth, as regards statements some people are reiterating, to the effect that Law 100 for 1983 has increased the number of persons transferred to the organization, that claim is devoid of truth and there is no evidence to support it. Indeed, it distorts the achievements this law has realized, because under the aegis of Law 59 for 1982 127 debtors were transferred to the organization, 60 debtors who were major persons conducting transactions went before the arbitration board, decrees were issued in their regard retaining their money and preventing them from disposing of their money and traveling, and their transfer to the organization was guaranteed because they were unable to settle their debts.

It was also guaranteed that some debtors who were linked in complex ways with persons whose money had been retained would be transferred. However, the issuance of Law 100 for 1983 put a stop to this torrential flow of new cases into the organization, and indeed prevented new cases which it would not have been possible to prevent under the aegis of the previous laws. This underlines the validity of the studies the government carried out in order to prepare Law 100 for 1983 and it also underlines the validity of the various forms of research connected to the report on the financial status of persons conducting the transactions from the accounting and accounts standpoint, and this has had an effect in reducing transfers to the organization. There is no doubt that these results will have an effective influence in reducing bankruptcy cases, which on the other hand is categoric proof of the truth of the statement made by the government, to the effect that the amendment of Law 59 for 1982 was in the interest of the domestic economy.

The strange aspect of this matter is that although this achievement has been made, criticism is being directed by some people on the claim that Law 100 for 1983 has not yielded fruit within the past period. There is no doubt that this criticism is not valid in the face of the comparison between what was carried out in accordance with the provisions of Law 59 for 1982 in the course of 10 months and what was successfully carried out in the 3 months since the date Law 100 for 1983 went into effect.

11887 CSO: 4404/183 SETTLEMENT DIRECTOR DISCUSSES EVALUATION OF INDEBTEDNESS CASES

Kuwait AL-RA'Y AL-'AMM in Arabic 28 Nov 83 p 7

[Article: "The Director General of the Settlement Organization: The Dinar Appraisal of Transferred Persons Will Be Connected to the Tabulation of Their Assets and Liabilities"]

[Text] The director general of the organization to settle term transactions related to company shares, Mubarak 'Ashur Mubarak Farhan, declared yesterday that the dinar appraisal of transferred persons will be connected to the tabulation of their assets and liabilities and it will be possible to determine the percentage of the deficit in approximate form, in the light of the truth of the data which the transferred persons, their creditors and the persons indebted to them give.

Mubarak Farhan pointed out that the organization's door is open to all citizens and that all the people working in the organization are fully prepared to receive any citizen giving information on any incident involving the smuggling of transferred persons' money or concealment of their money.

The director of the organization had been talking to KUWAIT NEWS AGENCY on the steps the organization had taken after the provisions of Law 100 for 1983 went into effect.

He said "The law came about in order to complete the settlement of term transactions related to the shares of companies as well as causing the country to avoid any negative effects that this sudden crisis might result in for the Kuwaiti economy.

"The legislators' means to this end were to make all terms of debts resulting from these transactions expire as of 14 August 1983 so that it would be possible to cope with the crisis from all angles and eliminate the interconnections among them. That was something it would not have been possible to do had some debts continued not to be payable, since their terms had not yet expired. The legislators then intervened to establish the basis of the settlement on the immediate price of the transaction and to set the profit at 25 percent.

"In fact, since the provisions of this law went into effect, the organization has reduced the volume of indebtedness in the case of all persons transferred to it in accordance with this principle, after seeking the aid of all government agencies, organizations and bodies, as far as price and the investigation of each individual transaction went. Then the transferred persons' new financial status was submitted to the arbitration board in execution of Article Five of Law 100 for 1983 so that the latter could adopt the steps it considered appropriate with respect to each case separately, as regards affirming the previous decrees on it and so informing the organization or abrogating these decrees. After the board had investigated most of these cases, it issued its decisions in the light of the proof that had been established before it. I would like to point out that not all the people involved in the cases presented to the board were able to benefit from the reduction in indebtedness based on Law 100 for 1983, because of the variations in the difference between their assets and liabilities. There are other cases on which the board has not issued decrees because of the probability that the persons involved in them will be able to recover from the state of insolvency. In addition, the organization is now effecting means for preparing the amicable settlements stipulated in Law 75 for 1983, now that the volume of indebtedness has been reduced. One should bear in mind that Law 100 for 1983 changed the period in which the settlement is to be carried out to 6 months from the date of the transfer, whereas it had been 3 months."

What Are the Obstacles in the Way of Amicable Settlements?

He replied, "People conducting term transactions in stocks started conducting these transactions about 3 years ago. There had been transactions before that, starting in 1978, but everyone rushed in during a few months in the middle of 1981, in a manner that was characterized by recklessness, which reached its maximum degree in April 1982, when everyone had the illusion that the course of transactions was prospering and introduced real estate transactions into the stock [trading], and real estate sale and purchase transactions began with checks issued in stock transactions, either through payment of a deposit on the price, the trade of stock for real property or the submission of checks for the stock to the banks, and their deduction and submission as collateral for loan agreements. As a result of that, interconnections of another kind arose, and one result of those was a great exaggeration in the prices of real properties. Then the prices of real properties have now fallen. The difficulties that the organization is coming up against now is eliminating the interconnection of real estate transactions among all the people transferred to it, by abrogating these transactions or continuing to execute them. This is a burden which requires that the organization make efforts to have the transactions cleared up before the amicable settlements are made. The situation will become more difficult if people conducting transactions with the transferred persons insist on clinging to the transaction and also resorting to criminal procedures in cases where checks were issued for real property transactions. There are numerous criminal cases which are now being handled before criminal courts against some transferred persons, and they are trying to end these disputes peacefully. The committee of the board of directors is taking charge of this matter in an attempt to clear up these transactions before the amicable settlements are carried out."

The Dinar Relationship of the Transferred Persons to the Settlement

He went on to say, "The dinar appraisal is something that is connected to the tabulation of assets and liabilities. In the light of the validity of the data which the transferred persons, their creditors and the persons indebted to them provide, it will be possible to determine the percentage of the deficit in approximate form and thereby the transferred persons will pay off debts to other persons only within the limits of the percentage of the deficit. However, the organization will come up against some difficulties in the case of some transferred persons in terms of the tabulation of assets. There is data related to real property outside the country, and the persons who own that have not obtained documents on the transactions. It is well known that the disposition of the transferred person's money must be directed to property that is established by documents. Regarding property situated abroad, the disposition regarding that must be subjected to the laws of those countries, not to the application of the provisions of Kuwaiti law. Since some transferred persons who have conducted transactions abroad have not obtained documents, they do not have evidence of proof of the transaction or possession, and in this sort of case the organization faces difficulties in completing these transactions or getting back the amounts that the transferred person has paid. It is obvious that this sort of thing will have to be concluded amicably, or the matter will be brought before foreign courts, which will take a period of time that might result in the alienation of this sort of property from the liability of the transferred person, until it is definitively cleared from the disputes. It cannot be imagined that this real property would be considered part of the transferred persons' liability and that the creditors would compute their accounts in accordance with its value, then that the execution would not be carried out on it when the settlements related to it were approved."

In a question on the rumor circulating that some transferred persons had smuggled their money abroad and were living in the same style as they had before the crisis occurred, in terms of spending, [giving rise to doubts] on where they found the sources for this spending, he replied: "I would like to point out that the organization's door is open to all citizens and all the people working in the organization are fully prepared to receive any citizen who provides information on any occurrence which entails the smuggling of transferred persons' money or their concealment of it. The organization will not declare the source of the notification. If the situation is related to the concealment of money, the responsibility will be shared by the government agencies and people who are or are not conducting transactions in the stock market. In the case of the issue of notification, this is a national responsibility in the first place and for this reason in the case of anyone who receives knowledge of any information concerning the concealment or smuggling of money who declines to give notice, this conduct will constitute a crime against his country." In response to a question on the basis on which the organization is demanding that debtors who have been transferred pay off their debts, although they at the same time have credit with transferred persons, and why a settlement was not made among them, he replied by stating, on this subject, "With the issuance of Law 75 for 1983 regulating the settlement of term transactions related to company stock, all the money transferred has been kept from being disposed of, in accordance with the

decrees the arbitration committee issues, because it has been reserved for the account of the group of creditors. This law has assigned to the organization in its sixth article the task of setting out a report on the financial status of the transferred debtors, containing the debts they owe and are owed, whether these arise from term stock transactions or other transactions. This report is considered a list of the debts, in accordance with the provisions of Article 658 of the Kuwaiti commercial law.

"It is worth pointing out that it is on the basis of this report that the amicable settlement or preventive peace will be made. Therefore, the role of the organization, at this stage, is restricted to administering the money transferred without disbursing it on grounds that it is a judiciary custodian. Until a financial status report is made and the amicable settlement is carried out, this money will continue to be kept from being disbursed, whatever the cause of the debt which the creditor is demanding might be, so that he will not be given treatment different from that of other creditors, since the purpose in holding this money back is to protect the debtors and show concern for them by maintaining equality among them and presenting them with equal shares from the debtors, if this settlement or preventive peace does not take place, so that each of them will obtain a share of the money of the person transferred to bankruptcy, on the basis of the proportion of the debt that is his.

"Therefore, the organization's request of the persons in debt to the transferred persons that they pay off their debts vis-a-vis the transferred persons is connected to the status of the transferred persons themselves, since it is prohibited to disburse their money while at the same time they are in difficult circumstances and can make payment only within the rules and measures that the law has stipulated for payment, which are the amicable settlement, and not before."

Mubarak Farhan added, "Therefore, there is no support in law for the demand that the settlement be carried out, until the deficit is determined in final form and is declared, and no objection is made to it, because Law 59 for 1982 stipulated that for the settlement to take place it be carried out between the ordinary creditors and the debtors transferred in the proportion of the deficit in their money, in accordance with the appraisal which the organization carries out. This is all contingent on the measures of preparing the final report on the financial status of the debtors, which the organization will declare and announce to the debtors who have been transferred and their creditors, and the termination of the period for filing objections to it. Before that, settlement cannot be made. In addition, let me draw attention to the fact that the purpose in the dinar appraisal is not the immediate payment of the transferred persons' debts, since that does not involve more than an approximate appraisal of the dinar worth, so that each person conducting transactions will determine his financial status in the light of what he expects to receive from the transferred persons. Actual payment will be made only in accordance with the amicable settlements which the law has set out, and that will require that one third of the creditors who have three quarters of the debts give agreement to it, on condition that the arbitration board approve it, or in accordance with a settlement if the conditions exist for carrying that out in accordance with Law 75 for 1983.

That is what the organization is doing now, and that will be announced in the near future, after the financial conditions of the transferred persons are declared and time has then elapsed in the case of people who have refrained from objecting to the appraised shares of the deficits."

11887

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NEW DIRECTION IN SAUDI ECONOMY DISCUSSED

London AL-MAJALLAH in Arabic No 196, 12-18 Nov 83 pp 47-48

[Article by Nabil Habib Majalli: "Al-Zamil: The Two Most Modern Centers for Petrochemical Industries in the World Are in Saudi Arabia"]

[Text] Representatives of international corporations held detailed talks here for 2 days last week (25-26 October) in an attempt to come to grips with the Saudi economy's new direction. The economy is taking quick steps in the direction of Saudization, rationalizing spending, and increasing the share of non-oil sources in the national income. The conclusion reached by the conference on "Contract Negotiations in the Kingdom of Saudi Arabia," which was organized by the MEED company, which specializes in economic journalism, was that the Saudi market would continue to be one of the most important markets with respect to large international corporations and the world economy, despite the end of many basic infrastructure projects. The discussion, which were held by more than 100 important Arab and foreign businessmen, confirmed that governments and companies which wish to continue to have a fruitful relationship of cooperation with the kingdom must adapt to the changing requirements of a new stage in the development of the Saudi economy, which will be fundamentally different from past stages. The emphasis in this stage will be on industry in the broad sense of the term, on petrochemical industries in particular, on opening up markets for Saudi and Gulf exports, and on greatly expanding the training of national technical cadres.

The first speaker at the conference, which was held at the Sheraton Hotel in the Bahraini capital, was Shaykh Khalid al-Zamil, the second president of the Chamber of Commerce and Industry in al-Dammam and vice-president of the al-Zamil group of companies, which is one of the biggest Saudi companies. Shaykh al-Zamil explained that the huge infrastructure base which was constructed in the kingdom during the 12-year period ending in 1982 was intended to be the basis of the diversification of income sources and the growth of integrated economic activities. Thus government spending in this period, according to the statistics of the Ministry of Planning, reached 678.7 billion riyals.

Shaykh al-Zamil stated that those companies which wish to continue to transact business with the kirgdom must now focus their attention on filling

out this basis with industries and technical and vocational training institutions, not to mention the provision of various kinds of maintenance services for the projects which have already been completed. He noted that despite the end of construction activity on most of the big projects, for example, and the cutback in such activity in some areas as a result of the policy of guiding spending, there were still many opportunities, especially in the projects being conducted by the Royal Commission for al-Jubayl and Yanbu'. The commission has passed the half-way point on the road to transforming more than 1000 square kilometers of desert land into two of the most modern centers for petrochemical industries in the world. These centers are an economic edifice which ought to be completely built by the start of the next decade. Work on them began in 1974. Moreover, there is still a great deal of construction activity in many regions, especially in the area of vocational training centers, schools, scientific institutions, and hospitals.

In thie regard, Shaykh al-Zamil said that 60,000 Saudis had been trained so far at vocational training centers. In addition, the foreign and joint companies are committed to training certain numbers of Saudis in order to lessen the country's dependence on foreign workers as much as possible. He said that Saudi Arabia's strategy, which is fundamentally committed to the human element, is based on expanding training activities on all levels, including the administrative levels. He said that schools had been built in recent years at the rate of 2.2 per day, meaning that an urgent need exists to build new universities to absorb the thousands of students expected to graduate from the secondary schools in the next few years. This commitment to the human element is expressed as well in the third 5-year plan, which has two more years to go. The plan provides for the construction of 36 new hospitals containing 7,550 beds. Contracts for the construction of 12 of these hospitals will be put up for public bidding in the next few weeks.

Among the activities which Shaykh al-Zamil mentioned as being considered fertile ground for the activities of foreign and joint companies in the areas of completion, maintenance, and follow-up were the following sectors:

- The number of licensed factories was increased from 207 in 1970 to 2750 in 1982. Of these, 1359 are still under construction. This is not to mention the loans on easy terms from the Saudi Fund for Development and Industry, which now total more than 11 billion riyals.
- Activity in agriculture is on the rise, and the government grants loans to farmers. These loans totaled 8.6 billion riyals by 1982. All this has helped bring about a great increase in the wheat harvest, which reached 418,000 tons in 1982.
- It is expected that the number of ship anchorages will have increased from 24 in 1975 to 129 by 1985, while the annual tonnage of the ships handled by these ports will have risen to 46.8 million tons by that year. This is more than 10 million tons greater than the recorded tonnage for 1980.

-Currently, there are 21 airports in the kingdom. The number of travelers using them rose from 3.6 million in 1975 to about 26.5 million by the end of this year. Saudi Airlines alone transported about 21 million of these passengers.

- The network of asphalt-covered roads had been icnreased to 23,800 kilometers. It connects various cities and villages in the kingdom.
- The electrical generating capacity rose from 418 megawatts to 11,774 megawatts. The number of telephone lines rose 12 times, to more than a million lines.

A presentation on recent laws and legal practices in the kingdom in the business sector fascinated the participants at the conference. discussion was centered on it. The individual who offered the presentation, Mr Hasan Mahasani, who is considered one of the most prominent lawyers in Jiddah, drew attention to the fact that these laws are being applied to Saudi, foreign and joint companies alike with the goal of assuring the soundness of the foundation on which the kingdom's economy rests in the era of its industrial renaissance. Among these laws is one stipulating that no big project will be given in its entirety to a single company. Rather, such a project must be divided into sectors and distributed among numerous companies. Moreover, these companies must redistribute 30 percent of the work which the project requires of them to Saudi companies or joint companies. In addition, they have to commit themselves to buying all necessary raw materials from local Saudi production, if it is available. In addition, harsh directives have been issued to crack down on what is known as the sponsor system. It has been used by some foreign companies in the past in order to practice activities in the kingdom with the excuse that they were Saudi companies.

With respect to bidding operations, a regulation is now in effect according to which the value of an acceptable offer may not exceed 10 percent of the estimated value of the contract open to bidding. At the same time, the Saudi negotiator can lower the value by any percentage he can arrive at through negotiations. Moreover, the amount paid in advance to the party winning the contract has been lowered from 20 percent of the value of the contract to 10 percent, it being stipulated that no other advance may be paid when the contract is renewed for another period.

Mr Mahasani said that the closed bidding system, in which a limited number of companies in a particular field are asked to submit bids, has been abolished, since it seemed that some of these companies had been agreeing among themselves on certain prices. Therefore, on average, 60 companies now submit bids for any Saudi contract. Mr Mahasani and Shaykh al-Zamil responded to criticisms to the effect that the government agencies which prepare the bidding specifications might not be completely aware of the technical specifications. Despite this, according to the critics, the law forbids those offering bids from adding any conditions to their offers, under pain of having their offers dropped entirely from the bidding process. Mr Mahasani and Shaykh al-Zamil

responded by saying that it was possible for the companies to add any documents or addenda they wished to the envelope containing the offer, just as they could discuss technical matters during the subsequent negotiations. Mr Mahasani said that there was no longer any room for the absolute freedom enjoyed by businessmen in the kingdom in the past. He said that businessmen who want to succeed now and in the future must take the new organizational laws into consideration and expect more such laws, "knowing that Saudi officials have always evinced their readiness to negotiate in accordance with the rules of sound logic." In this regard, Shaykh al-Zamil pointed out that a permit for a new project would not be granted before the government was convinced of the project's economic benefit and of the existence of a need for the products which it would produce, as well as of the capacity of those carrying it out to undertake accompanying projects for training local workers.

A New Policy

Shaykh al-Zamil repudiated some other complaints having to do with the practice of making the purchase of raw materials and the requirements of production from the local Saudi market mandatory. He said that the kingdom is still a bastion of free economic life at a time when businessmen are complaining even in the United States about bureaucratic laws and the rise in protectionist measures. In this regard, he noted that 90 percent of Saudi Arabia's output enjoys no tariff protection at all. In addition, he pointed out that the Saudi Commission for Specifications and Standards is applying strict conditions in order to assure the quality of both local output and imports. He said that every 6 months the Ministry of Industry and Electricity issues lists of the various types of local products and their prices. Therefore, it is impossible for companies operating in the kingdom to claim that local importers are refusing to give them fixed prices which enable them to estimate the cost of executing their contracts.

As it happened, the conference was held a few days after Eng 'Abd-al-'Aziz al-Zamil was appointed minister of industry and electricity in the Kingdom of Saudi Arabia. This development stimulated the interest of those in attendance greatly. They saw in his appointment clear indication of the line of march the Saudi economy would follow in the next stage. The main observation made concerned his background in industry as assistant chairman of the board and a delegated board member of the Saudi Basic Industries Corporation (SABIC), as well as the statements he made which were published by AL-SHARQ AL-AWSAT a few days before he took his post at the ministry. It is worth noting that these statements focused on the determination of the member states of the Gulf Cooperation Council (GCC) to enter into joint negotiations with the United States and the countries of Europe concerning the high tariffs being imposed by these countries on petrochemical products from the Gulf. Engineer al-Zamil said: "47 percent of the European products entering the kingdom are not subjected to tariffs. Low rates of 3 to 4 percent are imposed on the rest. We do not think it just that we, on the other hand, pay rates of 12 to 19 percent, while importing \$6 billion worth of European products each year. It is within our rights to export \$2 billion dollars worth of goods, while paying rates no higher than

what we charge." In response to a question about what the kingdom would do in this regard, al-Zamil said: "At this stage, we are making our position known through joint committees and reciprocal visits. We believe in free trade just as Europe does. However, these principles must be applied to the benefit of both parties, not just one. Our point of view has begun to win increasing acceptance, because international companies which take part in our projects are harmed by the high rates."

12224

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RIYADH'S NEW KING KHALID INTERNATIONAL AIRPORT DESCRIBED

London AL-MAJALLAH in Arabic No 196, 12-18 Nov 83 pp 18-21

[Article: "King Fahd Opens the King Khalid International Airport. A Tour Through Riyadh's New Airport, Which Is One of the Biggest in the World"]

[Text] Cultural stimulation, a unique ability to make use of the most modern techniques devised by airport construction engineers, the use of the most modern, electronic, scientific communications equipment, a model of architectural style which preserves the purity of the Islamic heritage in the art of architecture and building while using mobile bridges and interconnecting halls: all these things greet one at one of the world's most modern airports, which is also one of its largest -- the "King Khalid International Airport" in Riyadh. It will be opened by King Fahd Bin 'Abd-al-'Aziz next Wednesday, 16 November, who wil thereby announce the start of operations there. It will begin officially receiving commercial flights on 5 December, thus bringing on line one of the biggest air terminals in Saudi Arabia, the Arab world, and the world in general. The airport will connect Riyadh with all the countries of the world and with the international airlines which will be landing in Riyadh for the first time. The airport lies 35 kilometers to the north of the city of Riyadh. The area in which it was decided to build the facility has been transformed into a green garden in the midst of the desert. This is advanced step characteristic of the strategic choice to locate the airport at its present site, in view of the extension of development and the cultural leap forward Saudi Arabia has been witnessing in recent years.

The new airport is considered to be one of three huge projects in the Kingdom of Saudi Arabia which are included among the international airport projects planned out by the Saudi Ministry of Defense and Aviation. These include the King 'Abd-al-'Aziz International Airport at Jiddah and the King Khalid International Airport at Riyadh. The series will soon be completed by the construction of the al-Zahran International Airport in the eastern region.

A few days before the opening of this great cultural edifice, AL-MAJALLAH toured the most sensitive installations of the facility in order to examine the modern equipment with which the airport has been outfitted. We managed to record realistically the most important characteristics of this airport, as well as those things which distinguish it from many airports in the world.

Therefore, let us begin by answering this question: How was this great achievement realized?

Sa'd Muhammad al-Tasan, the general director of the King Khalid Internation Airport, told AL-MAJALLAH that the first steps were taken in 1978, when initial construction began. It proceeded simultaneously in various groups of different installations over the entire area of the airport, which amounts to 225 square kilometers. The area of the King 'Abd-al-'Aziz International Airport is 105 square kilometers. The sum of 11 billion riyals was provided for this huge project, which was completed in record time. It was estimated that 7 years would be needed to construct the airport and start landing aircraft there, but all that was accomplished within 5 years from the start of the initial preparations. The airport is characterized by its use of the most modern transportation equipment. Ramps are used to connect the aircraft with the halls, instead of vehicles, as is the case as well at the King 'Abd-al-'Aziz airport at Jiddah. In addition, mobile electric ramps are used to serve the elderly, the weak and the handicapped. The airport is equipped with a total of 4 kilometers of runway, as well as with the most modern air navigation equipment. This includes equipment which enables aircraft to land when there is no visibility. This system is being used for the first time at an airport in the Middle East.

Sa'd al-Tasan added that the airport was designed to handle 7 and a half million passengers in its first year, when it is still in the first stages of initiating its operations. This number will reach 18 million travelers by the year 2000. This means that the airport was designed with stages of further expansion in mind, so that it could deal with any future circumstances.

AL-MAJALLAH offers here a realistic view of the huge airport, by means of the tour of the facility it made, starting in the north, in Wadi al-Makharr, and ending in the south, in Wadi al-Jarnan. The airport is 25 kilometers long and about 12 kilometers wide. AL-MAJALLAH stopped at more than 11 locations within it.

At the beginning, the airport was outfitted with an information division. The division has a computer in which information concerning every aspect of the airport is stored. This information anticipates activity in the airport in the future. By means of this division, the construction schedule for the airport was executed and programmed. It was outfitted with a wireless communications network which has saved much labor while providing the division's workers with precise information. The airport control system is attached to the division. It operates by means of a room in which the locations and sizes of installations, as well as of runways and airport halls, are set down. In addition, by using the equipment installed in the room, it is possible to locate any malfunction which might occur in any piece of equipment in the airport. This division also electronically provides explanatory diagrams of these things on request. Prince Sultan Bin 'Abd-al-'Aziz, the second deputy chairman of the council of ministers, the minister of defense and aviation and the inspector general, opened this division during his inspection of the airport's

installations more than a month ago. The division can provide the engineering division with diagrams and maps which can be prepared in 20 seconds, with the colors being controlled electronically.

Air Freight Handled Electronically

The loading and unloading of freight is handled electronically by means of three main gateways and one additional gate. This is the most modern system for handling freight in the world. It operates quickly and is labor-saving. In addition, it maintains a high degree of safety for baggage and is done automatically. The area of the air freight building is 26,225 square meters.

Loading and unloading are accomplished in the following way. The front of the aircraft enters the entryway, which can be raised or lowered to fit the dimensions of the airplanes. The entryway is outfitted with the most modern mechanical lifting devices and with the conveyor belts which are used for unloading. The airport has three large cranes which are connected to the storehouses.

The airport is outfitted with refrigerators which are used to preserve vegetables and medicines. In addition, there is a special refrigerator for corpses, so that they can be preserved while being shipped to their home countries. Such a device is being used for the first time. Previously, it was customary to use the refrigerators for preserving corpses at the hospitals. The articles belonging to the citizens are examined by computer in the warehouses, with both the shipment date and the bill of lading number being checked. This is also being done for the first time, so that this information can be acquired in this way. The warehouses can absorb 142,000 tons a year.

Reserve Power Plant

The airport contains a reserve power plant which can be used if any sudden breakdown occurs. It has three 7-megawatt electrical generators, and can supply the airport with power within 20 seconds of a malfunction. The airport has been outfitted with a water purification plant which produces 4,500 cubic meters of drinking water each day, as well as 13,000 cubic meters of water not suitable for drinking. This is the capacity which supports construction. Then there is the permanent capacity, which amounts to 13,400 cubic meters a day.

The water is brought up from a depth of 1700 meters. It is treated while passing through kilometers of pipes. When treated, the water is heated to various temperatures.

The Airport's Halls from the Inside

The airport contains four travel halls. Two are for international travel, while the other two are for local travel. They exist to serve the travellers. The area of each hall is 47,000 square meters. Each one has three levels, for

departures, arrivals, and services. The length of the buildings which connect the halls is 168 meters. These passages make it easier for travelers to move among the four halls. They contain moving walkways for pedestrians, restaurants, shops, museums, banks and airline offices.

Al-Tasan, the general director of the airport, said that these services were located in the passages which connect the halls so that no crowding would occur in the main area of each hall, whether in the arrival section or the departure section. The international hall has 28 counters. This gives 28 airlines the chance to operate in one hall. The total length of the halls, from the first one to the fourth, is 1500 meters. They are interconnected. There are 12 trafic gates. They will follow the system of using translators for whatever international language is used in the region the aircraft is going to or coming from. In this way, both arriving and departing will be made easier. There are four baggage conveyor belts in each hall. Each conveyor belt can service two Boeing 747's.

The Control Tower

Anyone who looks down at the airport from the control tower, which is considered to be one of the tallest in the world (81 meters), sees a technical marvel connected by a modern network of roads to the environs of the city of Riyadh. The tower has 19 floors. AL-MAJALLAH is the only publication which has been able to record its observations from the summit of the tower at the airport. The tower was constructed on 1200 square meters of land.

Preserving an Islamic Character

On your way to the airport, about in the middle of the halls, you behold the mosque and its minaret. In a special way, they praise the art of Islamic architecture. They are consistent with the Islamic traditions on the basis of which the airport was designed. The mosque can accomodate 10,000 worshippers. In addition, its second story has been set up as a separate place for women. The area of the mosque is 12,4000 meters.

The Royal Hall

The airport's royal hall has been constructed on 25,000 square meters of land. It has its own independent roads and holds three floors. It contains a room for press conferences which can accommodate more than a hundred journalists and is outfitted with equipment for wireless transmission to all the countries of the world and direct transmission to all satellite stations. It also contains equipment for simultaneous translation in 41 languages.

When the airport was constructed in the middle of the desert, special interest was taken in afforestation. The airport was outfitted with a special farm set up on an area of 36 hectares. It was designed to cultivate 3700 trees for the area the halls are located in, in addition to 10,400 bushes, 15,500 seasonal flowers, and 89,300 climbing plants which are supposed to cover the

ground at all the airport's installations. Great interest has also been given to health care at the airport, and a 36-bed hospital has been built to handle cases of emergency illness.

Fuel Storage Containers

Next to the airport are six large fuel storage containers which supply the aircraft. They contain enough for 7 days. These tanks are linked to the continuous operation processes at the airport. They are outfitted with their own complete system, which is used to achieve aircraft operations and to supply the aircraft quickly and with a high degree of competence. The total capacity of the containers is $98 \times 40 \times 61$ liters. In order to prevent crowding in the airport area, special areas have been set aside above ground and under ground for parking which can accommodate 11,000 cars. These areas serve both the arrival and departure functions of the halls. The parking areas have three storys.

The Arrangements for Operating Commercial Flights

In his meeting with AL-MAJALLAH, al-Tasan said that operations would be carried out in one international hall and one local hall for the time being. Discussions are currently being conducted about the possibility of operating some international lines with the Saudi lines in one hall. AL-MAJALLAH has learned that discussions are in progress concerning the possibility of allowing five foreign airlines to operate in the hall used by the Saudi international airline, which will begin accepting commercial traffic on 5 December. Thus, during the initial stage of the airport's operation, two halls will actually be in use -- one local and the other international.

There are supporting services in the airport, including the central kitchen, which provides about 64,000 meals a day within the two divisions for servicing the airport. The airport is equipped with a restaurant, an open hall, and an international hall for the benefit of transit passengers.

An airport official said that the airport's current location 35 kilometers from the city of Riyadh was chosen on the basis of several studies, including one of the expansion which the Saudi capital has witnessed since 1974, or in the last 10 years. Thus, the study's strategy was to choose the current site of the airport so that the city's continuous expansion would not be affected. Therefore, the airport will not be suffocated by development, as has happened to the current one. Moreover, the airport's location diminishes the noise to which the Saudi capital is subjected and spares it the damage caused by air pollution. The network of new roads set up to facilitate transportation between the new airport and the capital will cause commercial and cultural centers to be set up along these roads on the way to the airport. In addition, service centers and hotel projects might be set up along these roads.

Facts and Figures

The Ministry of Defense and Aviation, under the leadership of Prince Sultan Bin 'Abd-al-'Aziz, is constructing the airport. It oversees the international airport projects, the administration of which is headed by Maj Gen Sa'id Yusuf Amin.

About 2000 to 2150 persons work in the airport's administration. This figure does not take into account Saudi Airlines and the security, customs and passport offices.

Attached to the airport are 600 housing units, complete with markets, recreation areas, four schools which can accommodate 600 pupils, a mosque which can accommodate 600 worshippers, and a health services facility.

The airport's residential facilities include a 500-room hotel.

The airport's supporting facilities include a central administration office, a center for public safety, a main fire station, an international communications building, a post office, and an aerial observation facility on an area of 1141 square meters.

The airport contains areas for raising animals and the airline's conservation compound.

Between the airport's three halls are buildings with an individual area of 25,000 square meters.

The total area of the expanse set aside for parking aircraft is 600,000 meters.

The airport is equipped with protection for plants.

Runway number 2 at the airport is 4,200 meters long and 60 meters wide.

In preparation for the start of operations, the airport has passed through a number of initial, experimental stages since it began to near completion. These stages have consisted of observation and follow-up activities by high Saudi officials concerned with these matters. Before these tests were carried out, good preparations were made in the areas of operation, maintenance, the securing of the needed materials and the programming of all activities in the airport's equipment. It has been confirmed that the airport has made all the preparations needed to announce that commercial flights can proceed and operations begin. Therefore, another gateway is being added to Saudi Arabia's aerial portals. It can take its place next to the other aerial gateways, both domestic and international, which are spread throughout the kingdom and represent a successful network of routes covering the world.

12224

CSO: 4404/167

PAPER COMMENTS ON UNITED STATES' 'DILEMMA'

GF130938 Dubayy Domestic Service in Arabic 0515 GMT 13 Jan 84

[From press review]

[Excerpts] In its editorial today entitled "The Dilemma of Dignity," the newspaper AL-BAYAN said: Despite the increasing pressure on the U.S. Administration by the public and congressmen to withdraw the Marines from Lebanon, there is resistance to this by President Reagan who considers that such a move would undermine U.S. dignity. There is no logical basis for this resistance to withdrawal and this reveals the hidden U.S. intentions. Justifying the presence of these forces by using the dignity argument conforms with the logic of the 19th century and not of the 20th century.

The multinational force, which the Marines constitute the main body, has not carried out the task which it was sent to do in Lebanon. The Israelis are still occuping southern Lebanon and Israel is still undermining Lebanon's sovereignty. The U.S. and French troops in particular are now in defensive positions. It is as if they have become occupational forces as well. The Reagan administration has not put any pressure on Israel to force it to withdraw from Lebanon in fulfillment of the pledges the United States made to Lebanese officials and to honor the official statements which it has made repeatedly before and after sending the Marines to Lebanon. Instead, the U.S. Administration has escalated its bias to the extent of forming a strategic alliance with Israel, an act which has made it Israel's partner. This will encourage Israel to continue its expansionist aggression, arrogance, and building of settlements.

AL-BAYAN continued: If U.S. policy continues to disregard justice and continues to side with aggression, the White House can expect growing opposition to the presence of the Marines whose continued presence has nothing to do with dignity. U.S. dignity in this region is not respected by its flexing muscles or forming a strategic alliance with Israel but by a clear-cut U.S. stand in support of justice and by using its efficient potentials to pressure Israel to abide by the will of the international community and enable the Arab Palesinian people to practice their natural right to return to their home and determine their fate. Only through this will U.S. dignity be protected and anything else is adherence to outdated thinking.

CSO: 4400/129

COMPUTER MARKET IN UAE STILL RESILIENT

Dubayy KHALEEJ TIMES in English 28 Oct 83 p 11

[Article by Francis Matthew]

[Text] THE computer market is resilient, despite the downturn in growth generally in the UAE. Indeed a large number of orders are expected to materialise in the next 12 months, substantially increasing the volume of business in this most technical of sectors.

> Computer trading houses here are very coy about mentioning figures, but some suppliers and some consultants did give their impressions of the market to Khaleej Times. This produced a picture of annual hardware sales in the UAE being worth between 15 and 18 million dollars (Dh 54 and 65 million).

> On top of hardware sales there is hardware maintenance, of which estimates varied between 7.5 million dollars (Dh 27 million) and 1.6 million (Dh 6 m). The last figure was low because it only included maintenance when called in for specific jobs, not the regular contract visits by the companies. Estimates of software sales were around dollars six to eight million (Dh 21 to 28 million).

> These figures applied to this year and last year. All companies contacted expected an increase in the next few years. One consultant pointed out that it only took one large system to be sold, to a big oil company for example, and the overall market value dramatically increased.

> The definition of computers has become looser as new technology has developed. As well as the mainframes, there are also personal

computers, word processors, office information systems and others. All these can be linked into one meshed system today.

Wang first began with word processors and is strong in office equipment. This pre-eminence in the smaller machines gives it a dominant position in the market, according to one independent consultant. He defined the UAE market shares for last year as Wang 30 per cent, ICL 20, NCR 18 and IBM 15 per cent. This was concurred with by other consultants and disputed by the suppliers who gave themselves larger shares.

One consultant expected 20 per cent annual growth in sales in the next year. He considered the market under-developed which he said was partly due to infra-structure difficulties. Emirtel have a monopoly of telecommunication lines and he considered the charges to be high. He also said Emirtel only leases two kinds of modem (the unit required to link a computer to the tele-com lines) although there are over 20 developed. These limitations have caused hold-ups, he thought.

One supplier thought that about

50 per cent of the large companies in Abu Dhabi are computerised. He said that the extremely competitive market was one reason for the rest not having computers. The suppliers' salesmen would hesitate to approach a new company for fear of pursuading them to computerise and then finding that they could not supply the right systems of equipment. The client, having decided to computerise, would

then approach a rival supplier and get what he wanted.

This brought out an important point everyone in the trade made; that of 'computer awareness'. Computers must be approached with the right attitude. Everyone, from the operator up to the managing director, has to be prepared to use and to trust the computer.

To this end suppliers spend a lot of time on training both the administration and the users in prospective clients. IBM, for example, run a training centre in Dubai to which people come from most of Africa and the Middle East. IBM define both education and skills as factors holding back further use of computers. The staff need to have the skills to operate the machines, and the managers the knowledge to use them.

Wang run a "customer support department" which handles all kinds of training for the client as well as helping with work flow analysis, and developing special applications. This runs parallel with their software department who also help with training, as well as customising and developing software systems.

All suppliers run courses for a new client, either in the clients' premises or in their own. They prefer not going to the client since in their own offices they have all the facilities for the would-be operators to try out their skills.

An oil company computer man said at the recent Adnoc data management symposium "a computer is only as good as its user", meaning that training was vital for everyone from top management down. This was a problem which several of the oil companies, Mobil Canada, Shell and BP said that they were facing. And if the oil companies are facing it with their technological edge and money to spend on training, a local company in the UAE must have the same problem and more severely.

The oil companies are the most computerised of all the different sectors in the UAE. This is for several reasons. They have the money to buy the systems, they are technologically aware and they have a vast amount of data which needs to be both monitored and processed. A production and exploration company, for example, needs to coordinate its well information, geological surveys and a host of other data, and in some companies it needs to link this to sales demand as well.

The next most computerised sector is the banks, both for internal and customer use. Many banks have their account information computerised for their internal use. Some now are introducing service points where a customer can automatically get cash or a balance of account.

After the big two of oil and banking, come other sectors; the large trading companies, the construction companies and finance and insurance groups. Most of these companies use computers for stock control, inventories, accounting and office management.

Most sales in Abu Dhabi are 'commercial' applications of software, where a large volume of data is stored and relatively little processing of that data is needed. The opposite application is 'scientific' where the data is used for calculations and is manipulated. An example of the scientific system would be a construction company calculating the stresses on a bridge in which answers will emerge from the data. Stock control, on the other hand, does not have an answer, the data is simply stored and up-dated.

One result of this is that marketers of periferal equipment, like extra terminals and keyboards should do well as commercial systems use a lot of access to the central memory. However many companies did not buy a large enough central unit and now find that although they, want to expand, their system cannot handle the increased traffic and that they cannot afford to buy an expanded central unit. This has squeezed the companies which supply this equipment.

One large area yet to be computerised effectively is the government and its departments. The federal government has established a National Computer Centre under the Ministry of Planning. The NCC has an overview of each departments' computer requirements and has say in the departments' buying of computers.

The government departments with some computerisation are defence, finance, economy, immigration, and interior. But they are only partially computerised, said one supplier, and would move towards more complete systems in time. He considered this sector to be a large market as yet largely untapped.

Computers are already 'Arabised' and can take instructions and give back answers in Arabic. This technology has been developed largely in Saudi Arabia over the past years. This will be important for government use. The business sector works largely in English but the government is nearly all in Arabic.

CSO: 4400/122

AE ECONOMIC GROWTH MARKS SHIFT IN 1983

Dubayy KHALEEJ TIMES in English 31 Dec 83 p 1

[Article by Francis Matthew]

[Text] Nineteen eighty-three saw some major changes of thinking in the UAE's economic management. It marked the end of the boom years and the start of a period of more solid gro'th. Most of the hectic construction of basic infrastructure is over and the UAE is settling down to coordinated development of both its oil reserves and other resources.

The influence of the Arab Gulf Cooperation Council has began to make itself felt and will do so more as the Gulf states tackle similar problems of developing industry and agriculture in overwhelmingly oil dominated economies.

The Doha summit was significant for development in the AGCC because of the establishment of a Gulf Investment Corporation based in Kuwait to fund development projects all over the Gulf. The AGCC also aims to avoid duplication of industries in the Gulf.

Within the UAE, the federal budget for 1983 was announced on August 9 with a Dh 5.5 billion deficit built into the Dh 18.4 billion spending allocations. Federal revenues were put at Dh 12.9 billion.

This budget was taken as heartening. It cut unproductive spending and expendable development projects, and the overall package served as an announcement that the boom years were over.

Estimates of what the 1984 budget may be like show that it will be similarly conscious of the need to avoid excess expenditure. Looking ahead to 1984 the oil market should be firmer and so the economic outlook for the UAE better.

The 1983 Abu Dhabi emirate budget was promulgated on October 25 allowing emirate expenditure of Dh 24.3 billion. This broke down into government departments Dh 4.6 billion; non federal development Dh 5.9 billion; federal contribution Dh 9.5 billion; and local and foreign aid at Dh 3.8 billion.

Commerce in Abu Dhabi is closely linked to government spending which is the base of most activity in the emirate. Therefore the effect of the two budgets was considerable on the local commercial community.

Firs , by being annoused late in the year there had been a period of uncertainty over payments. This meant that contractors were being paid late for work and this knocked on to the merchants and importers. In turn, the banks were obliged to continue financing the firms through the waiting period.

Secondly, there came cuts in government spending. Projects already under way were not affected, but many of the planned projects were shelved or cancelled. Some of the foreign companies depended on these new projects in order to remain active in the UAE.

The year saw major efforts to trim government costs. The price to the consumer of petrol was raised early in the year. This is estimated to have cut Dh 1.5 billion off the budget by reducing the previous subsidies.

There are also plans to introduce medical charges for non-nationals. At present all medical treatment is free, and will continue to be so for nationals, although there are plans for introducing nominal charges in the long term.

In spite of the atmosphere of stringency, on Wednesday Shaikh Hamdan bin Rashid, Minister of Finance and Industry, said that the country had no intention of imposing either indirect or direct taxes. There had been reports that some indirect taxation would be introduced.

The oil price is the heart of the UAE's prosperity. Nineteen eighty-three was a difficult year for Opec as it struggled to maintain the benchmark price of \$29 a barrel against a glutted market.

Dr Mana Saeed Al Oteiba, Minister of Petroleum and Mineral Resources, recently explained that Opec strategy was to keep the current production ceilings in force until the oil stored round the world is used up, and then to raise the output while keeping the price steady.

The UAE faced greater difficulties than other producers since it accepted a larger cut than its fair share for the sake of Opec unity, said Dr Oteiba. This and the fall in price have caused the present economic situation.

Meanwhile in the fields, there is a lot of re-surveying and re-defining the reserves which will allow the Emirates a fuller picture of what they have, even if producing from these reserves must wait until the world oil market picks up.

The year also saw the Central Bank establishing a firmer hold on the banking community. It has done this by requiring stricter reporting procedures, a minimum paid up capital of Dh 40 million, and that the ratio of liabilities to capital and reserves should not exceed 15 to 1.

The declared aim of the Central Bank is to reduce the number of banks in the country. It hopes to effect this by encouraging mergers of local banks. This may meet some difficulty since the local banks are fiercely independent. It

will also reduce the number of each foreign bank's branches to eight and the target date for this is today, and this has largely been complied with.

The customs duties have changed in the UAE during 1983. Previously the individual emirates set their own tariffs but since November they have all applied the AGCC standard four per cent minimum, increasing up to 20 per cent for some goods when local industries are to be protected.

The UAE starts 1984 with some changes already started and more likely to come.

CSO: 4400/124

OVER DH 307 MILLION EARMARKED FOR FEDERAL PROJECTS

Dubayy KHALEEJ TIMES in English 7 Nov 83 p 3

[Text]

A SUM of Dh 307.443 million has 38 million, Ministry of Information been earmarked in the current year's budget for federal government development projects, according to a report issued by the Ministry of Planning in Abu Dhabi yesterday.

The report said Dh 542 million had been spent so far on the Dh 3,158 million federal development programme. National Council Dh 15 million, and protocol department Dh 5 million. Of a total of Dh 839.63 million development programme of Dubai Dh 42.60 million have been allocated in the 1983 budget. A sum of Dh 270 million has been spent on Dubai projects so far.

The ministry-wise allocations for the current year are as follows: Ministry of Finance and Industry Dh 22 million; Ministry of Interior Dh 118 million; Ministry of Justice Dh 35 million, Ministry of Education Dh 38 million; Ministry of Augaf and Islamic Affairs Dh 9 million, Ministry of Health Dh and Culture Dh 15 million, Ministry of Agriculture Dh 8 million, Ministry of Communications Dh 7 million, Ministry Public Works and Housing Dh 1.5 million; Federal National Council Dh 15 million: and Protocal department Dh 5 million.

Of a total of Dh 839.63 million development programme of Dubai, Dh 42.60 million have been allocated in the 1983 budget. A sum of Dh 270 million has been spent on Dubai projects so far.

The ministry-wise break-up of allocations in 1983 budget for projects under implementation in Dubai are: Ministry of Education Dh 27 million; Ministry of Health Dh 5 million; and Ministry of Communications Dh 2

Besides, Dh 343 million have been allocated for development projects in Ras Al Khaimah during 1983 followed by Dh 242 million for Sharjah Dh 162 million for Fujeirah Dh 87 million for Ajman and Dh 73 million for Umm Al Quwain.-WAM

4400/124 CSO:

FIFTY FOREIGN PLANTS SUITABLE FOR DESERT LISTED

Dubayy KHALEEJ TIMES in English 12 Oct 83 p 3

[Article by Raman Kapoor]

[Text] ABOUT 50 species of plants, extremely suitable for severe desert conditions like those in the UAE, have been identified by Indian scientists. Professor M.M. Bhandari, a top Indian plant taxonomist, said in an interview in Dubai yesterday.

> He said that the plants selected from about 500 species had been found successful in identical conditions of Indian deserts (of Rajasthan), with significant afforestation and economic value.

Professor Bhandari said that in matter of selecting the plants care had been taken that "each of them has some potential in fixing the sand dunes or food and fodder value and may, in the long run, become a source of raw material for industries.

The recommended plants include the numerous species of Acadia, Eucalyptus, Prosopis, Cassia, and a host of other drought-resistant and salinity-evading desert plants. The Indian scientists have studied their mean height and survival value in pits as well in trenches.

The importance of fresh plants, should be evaluated for the long-term economical and industrial benefits, Prof Bhandari said. Top priority should be given to the greening of the Gulf desert. And not only to make it a nicer place to live in, but also because the introduction and development of forests and tree plantations would gradually improve the general quality of the environment and esult in favourable micro-climatic changes.

Professor Bhandari said, "there is hardly any local plant in the UAE which is being utilised and exploited on a large scale. This non-utilisation of the plants' natural resources is quite understandable, considering that there is no inventory of the indigenous plants."

Very little, he said, was known about the biology much less about the chemistry, of even the known and commonly occurring plants. In the absence of this inventory, it has not been possible to tap the folk knowledge that exists in many locations of the UAE about the plants. Therefore, he felt, there was an urgent need to work out the flora of the UAE, he

Meanwhile, another scientist, Mr Serge Lemince of the S.A.R.L. Humuland company of France, who was recently in Dubai, has recommended the use of pine bark and bark based products in the UAE agriculture.

The bane of the UAE agriculture is that the soil does not hold back the water and therefore, the costly drip irrigation techniques have to be deployed. Mr Lemince's company has produced a product, Alfa-Gel, which is a non-toxic starch derivative polymer. When combined with water, Alfa-Gel particles absorb and suspend upto 70 times their weight in water.

When mixed with soil, small pockets of Alfa-Gel swell to absorb excess water from damp or saturated soil. As the surrounding soil dries, the Gel compound will slowly release its moisture back into the soil to provide a

balanced and uniform moisture level This retained moisture is then available for use by plants to reduce water-stress effects when root systems are permitted to develop close to the Gel'soil mixture

The Agricultural Development and Supply Company of Al Futtaim Group is shortly to market the product in the UAE.

IMPORTS IN 1983 HELD STEADY

Dubayy KHALEEJ TIMES in English 29 Dec 83 p 13

[Article by Francis Matthews]

[Text] LOOKING back at 1983 an importer described the year a period in which businessmen were trying to maintain levels up as the market tightened. Rationalisation in expenditure by government led to drop in demand.

The decrease in the expatrate population has slightly affected imports of consumer goods but it is expected to be more noticeable in 1984

The importer estimated that total imports in 1983 would be roughly on a similar level as that of 1982. The total import over the past few years have steadily increased in value, though they fell slightly in 1982. In 1978 they were worth Dh 20.85 billion, in 1979 Dh 26.65 billion, in 1980 Dh 33 billion, in 1981 Dh 35.59 billion and in 1982 Dh 34.71 billion, according to the Customs Departments

In terms of weight the picture follows the same pattern. In 1978 total UAE imports were 6.47 billion kilograms, in 1979 8.05 billion in 1980 8.54 in 1981 10.35 billion and in 1982 8.26 billion kilograms.

Most of the imports enter UAE via Dubai and Abu Dhabi, with approximately 60 per cent coming through Dubai and 30 per cent through Abu Dhabi, and the rest through Sharjah and Ras Al Khaimah. But a comparison of the two main ports shows significant differences, with Abu Dhabi consistently importing less goods, but more valuable goods, then Dubai

In 1980 Abu Dhabi handled 28 per cent of the UAE's imports by weight, but 31.8 per cent by value. Dubai imported 58.1 per cent of the UAE's imports by weight and 59.3 per cent by value. In 1981 this trend was more marked, Abu Dhabi imported 26.3 per cent by weight and 35.2 per cent by value, Dubai 50.4 per cent by weight and 55 per cent by value. And in 1982 Abu Dhabi brought in 26 per cent by weight and 36 per cent by value, Dubai 55 per cent by weight and 55 per cent by weight and 57 per cent by weight and 58 per cent by weight and 58 per cent by value.

Abu Dhabi's imports were consistently more valuable because the goods coming in are mostly oilfield equipment or special construction materials. Adnoc and its affiliates all import their oil machinery and well-head equipment through Abu Dhabi's Port Zayed, which form a substantial volume of imports. The Abu Dhabi government departments like the Water and Electricity Department needs de-salination and power generating equipment for its particular projects. Both these categories are made up of large and valuable items.

Dubai has the majority of the consumer trade with goods which are more general and less valuable such as textiles, foodstuffs, cars and other consumer items. These are freighted from Dubai to the other emirates

Until recently food was duty free in Abu Dhabi while Dubai charged one per cent duty. After the November implementation of the AGCC's 4 per cent, both the emirates declared food as duty free. This will further influence traders to move their foodstuff imports from Port Zayed to Port Rashid.

MINISTRIES REPORT MAJOR 1982 PROJECTS COMPLETED

Abu Dhabi Public Works

Dubayy KHALEEJ TIMES in English 18 Dec 83 p 3

[Text] THE Public Works Department of Abu Dhabi completed a number of major projects this year at a cost of about 1,738 million dirhams.

> According to figures released in Abu Dhabi yesterday, the amount spent included Dh 105 million on roads and bridges, Dh 755 million on marine ports, Dh 21 million on airport projects and Dh 857 million on buildings and residential houses

The road projects completed this year included 67.5 kilometres of new roads, and the improvement and extension of roads linking Al Ain with Al Mafraq, Faidha and Mazyad Besides, a number of roundabouts and parking lots were built.

Out of a total of Dh 857 million spent in the building sector, housing alone cost Dh 755 million. Mosques and other religious buildings and health projects were completed at a cost of Dh 22 million and Dh 5 million respectively. A sum of about Dh 75 million was spent on other projects.

The buildings sector's projects completed this year included 5,000 prefabricated houses in Abu Dhabi, 40 houses of the first phase of Al Marfaa residential area and five mosques in different areas of the emirate

Sixty houses in Ghayathi, Al Dhyafa Palace near Al Mushrif Palace, a number of clinics, customs building at Port Zayed, a garage for Al Ain police, extension and repair works of some clubs, 120 houses in Al Samha and Zaved City, and 209 lowcost houses were other major projects.

In the port sector, canal dredging and extension works were completed in various areas. Besides, work is in progress on a number of canal dredging and extension and other related projects in Umm Al Nar, Ras Ghanadha and Ras Al Akhdhar.

Five projects at Abu Dhabi airport are now under execution.-WAM

Dubai 'Infrastructure' Projects Completed

Dubayy KHALEEJ TIMES in English 1 Jan 84 p 1

[Article by K. P. Nayar]

[Text]

Almost all the development projects which the Dubai government was committed to in 1982 have been completed, an annual projects situation report released by the Dubai government yesterday revealed.

The bulk of these projects relate to improvements to major infrastructure schemes taken up earlier or projects such as improvement or construction

when multi-million dollar projects such as the Trade Centre, Jebel Ali port and the Dry Dock constituted the highlights of the annual report.

It is, therefore, seen as an indication This represents a major change that like in the last two years, the new from the situation a few years ago year will also be a period of consolidation and subdued activity as far development schemes are concerned

While contractors and businessmen may miss the boom period in projects, the Dubai government had underthe schemes that have been completed recently will enable the major infrastructure facilities to be put to the best use contributing to a higher level of economic activity

Among these are three dredging projects—one at Jebel Alı harbour and two in the Dubai creek All these. vital for Dubai's seaborne trade have been completed

Among the major roadworks commissioned by the government, according to the report, were the Jebel Ali road diversion, a 115-km long Dubai-Aqr second carriageway, the Awir Lihbab second carriageway and port access and distribution roads in Jebel Alı

Of these, the first three were completed as planned, but the last one was thrown out of schedule on account of financial difficulties faced by the con-

All except one of the projects that taken outside the emirate have also been completed

These were the Dh 130 million Dibba harbour project, a Dh 41.83 million scheme for the development of Ajman creek, work of the Lulayvah fishing harbour in Sharjah at a cost of Dh 53 million, and work on Kalba fishing harbour at a cost of Dh 34 mil-

Besides, 70 km of roads on Sharjah's eastern areas of Kalba and Khor Fakkan have been completed at a cost of about Dh 44 million

The only project outside the emirate that remains to be completed is the 240 km long second carriageway to the existing road from Aqr to Seeb in the Sultanate of Oman The Dh 716 million project is expected to be completed by April 1984

OVER DH 11 BILLION SPENT ON FEDERAL PROJECTS

Dubayy KHALEEJ TIMES in English 28 Dec 83 p 3

[Text] THE 1983 investment programme, which included only the completion of on-going projects, touched Dh 11.763 billion, showing a big increase over the 1980

ing a big increase over the 1980 figure of Dh 7.559 billion, according to a Planning Ministry report released in Abu Dhabi vesterday

The Ministry of Electricity and Water, for three consecutive years topped the investment list, and, compared to 1980, its project costs registered a four-food increase. The 1983 figure stood at Dh 3.683 billion as against Dh 1.047 billion of 1980

Some of the major projects of the ministry listed in the report are: Dibba power station, electric cable laying in Kalba, Fujeirah, Qidfa, Khor Fakkan and Dibba, Ajman power distribution network, Umm Al Quwain electricity project, electrification of rural areas in the Northern Emirates and the Ras Al Khaimah power expansion project

The Communications Ministry was second with Dh 1.708 billion in 1983's investment programme. Health Ministry's projects cost Dh 1,288 billion. Important projects of the ministry include eight hospitals in different emirates.

The Education Ministry accounted for Dh 904 million, and the Ministry of Public Works and Housing Dh 1 billion

The projects of the Ministry of Agriculture and Fisheries were give special attention and Dh 792 milliwere spent on them compared to Di 329 million of 1980

The programme recognised the role of the Ministry of Information and

Culture in building up the society or right lines and over Dh 322 million was spent on its different projects in 1983. The 1980 investment figure of the ministry was Dh 214 million

The projects of the Ministry of Islamic Affairs and Augaf accounted for Dh 175 million and those of the Justice Ministry Dh 127 million.

AJMAN REFINERY TO BE READY BY 1986

Dubayy KHALEEJ TIMES in English 28 Oct 83 p 1

[Article by Raman Kapoor]

[Text]

THE \$500-million Ajman refinery project, work on which has started full blast, will process crude from almost any source. The 100,000 barrels per day (bpd) refinery, when it goes on stream in early 1986, is initially scheduled to process Saudi crude, but it can utilise oil of Abu Dhabi, Sharjah and Dubai, it is learnt.

Even Ajman, which has a very hopeful programme of oil drilling, may utilise its own oil if commercial quantities are tapped by then.

Mr Nello Orfanelli, director and general manager of the Ajman Saudi Refinery Co. Ltd. said in an interview yesterday that the levelling of land over a 2-million square metre area, behind the Ajman cement factory site, is on after which the work would start on building offices. Design and tender work would start by November and early next year.

The prestigious private-sector project of great significance for Ajman is fully supported by the emirate government. According to a government spokesman yesterday, a close watch is being kept on the project and the government would like to see the project taking off without any delay. The project, mooted by Shaikh Halim Rahbani of Saudi Arabia and the Oil Promotion Industries of the US, is backed by important nationals in the UAE as well. Production will primarily be export-oriented

On the capital structure of the company, one-third of the amount would be equity holding, one-third would be sought as credit from Technip company of France which is the consulting engineers for the project, and onethird capital would be raised from syndicated market loans.

Mr Orfanelli said that in the next fortnight the company would float its initial equity shares of Dh 100 million—each share of Dh 1—in the UAE and the Gulf region; the issue would be open to the AGCC citizens only. Depending on financial requirements, at a later stage more shares would be floated in the market. "Here is an opportunity to the local people to get involved in a massive project of utmost benefit to Ajman and the UAE." he said.

Negotiations are currently on with Technip for extending a 170-million dollar loan on a seven-year repayment basis, he revealed. Stone and Webster Co. may join hands in project management. The marketing study was done by CIRTA which has worked with the OPEC nations in the past.

According to the company management, the shares offer is extremely lucrative in that the internal rate of return is net amounting to 31.5 per cent in current US dollars. These securities will also serve as a better hedge against the inflation.

The transformation of oil products would take place as close as possible from the production centres in countries where tax situations is favourable and operation cost would be low.

A new office of the refinery is shortly to open in Ajman; the company already has offices in Ajman and Sharjah.

SURVEY: OILFIELD WORKERS BETTER PAID

Dubayy KHALEEJ TIMES in English 28 Oct 83 p 3

[Article by Ahmed Hassan]

[Text]

THE average monthly income of an oilfield worker is Dh 4,746 almost double that of a worker in non-oil related industries (Dh 2,404), according to an official survey report made available in Abu Dhabi.

Complete funding's of the survey will be made public within the next two months. The preliminary appraisal suggests that 10 per cent of the people residing in the UAE are employed in the industrial sector and that despite worldwide recession the industrial sector has shown signs of recovery.

Plant locations

The survey includes banking, insurunce, catering and construction industries. Oil-related industries have been dealt with separately.

On the location of industrial plants, the survey shows that Dubai has the highest number with 1,396 units, followed by Abu Dhabi with 1,305 units (Abu Dhabi city 1,305 and Al Ain 239). The figures of other emirates are: Sharjah, 634; Ras Al Khaimah 163; Ajman 106; Fujeirah, 50; and Umm Al Quwain, 27.

The survey has classified the industries into nine categories—agriculture and afforestation; producing industries (oil and gas inclusive), turn-key project, water and electricity projects;

construction industry; trade, catering units, transport, communications and storage plants; banking, insurance and services companies; and social services and personal welfare units.

Industrial units

The total number of industrial units stands at 3,681, employing nearly as many nationals. The wages of workers in the industrial sector exceeds half a billion dirham per month.

Although the number of industrial units in Dubai is more than that in Abu Dhabi, the number of workers employed in Abu Dhabi is higher. About 200,000 people are reported to be working in the industrial sector of the two emirates. The highest number of workers is employed in the construction industry (99,105), followed by hotel industry (45,000), transport (20,000) and banking and insurance (15,000).

The lowest average income is of the worker employed in agriculture.

RAS AL KHAIMAH MAY BECOME MAJOR OIL PRODUCER

Dubayy KHALEEJ TIMES in English 30 Oct 83 p 1

[Text] RAS Al Khaimah is likely to become a substantial producer of crude oil and natural gas next year.

According to initial estimates the emirate was to produce nearly 20,000 barrels a day of crude oil. However, with the work proceeding on the completion of the third well, it is now estimated that the production could well be in the vicinity of 30,000 barrels a day.

Sources at the ministry of petroleum and mineral resources point out that the emirate's well Salah One, which lies about 50 kilometres to the north-west of Ras Al Khaimah city, is likely to produce 6,000 barrels of crude oil per day. The well is also estimated to produce 27 million cubic feet of natural gas.

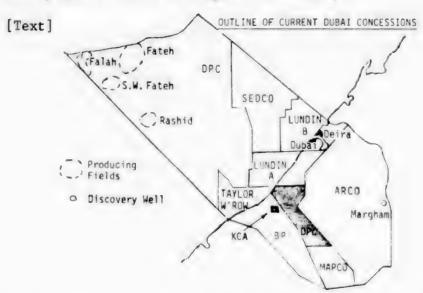
It is to be noted that only testdrilling has been completed on the third well in the emirate and a final estimate will be made after the production tests are conducted. The two other wells Salah One and Salah Two have shown promising structures for both oil and gas

According to another estimate the emirate has enormous resources of oil and gas. Some experts indicate that the emirate has reserves that could well be more than 200 million barrels Production levels if maintained properly could ensure that the emirate would remain a stable supplier of oil and gas in the distant future.

The emirate recently signed an agreement with an international company for the development of its gas resources. It is also indicated that according to initial estimates the gas reserves in the emirate could account for more than one billion cubic feet.

RASHID AWARDS FINAL OIL CONCESSION

Dubayy KHALEEJ TIMES in English 3 Nov 83 p 1



HIS Highness Shaikh Rashid bin Saeed Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, has awarded the final oil exploration and production concession available in Dubai under the current licensing round to the group of companies forming the Dubai Petroleum Company-Dubai Marine Areas Limited (DPC/DUMA).

The award is for an onshore area and DPC/DUMA already hold the concession on the offshore area which includes all of Dubai's currently producing oilfields.

The new concession covers an area of approximately 65,000 acres

CSO: 4400/122

inland from Jebel Ali (see map). Under the terms of the agreement, DPC/DUMA has commenced shooting a seismic survey. Subsequently, it will drill up to four wells over a two-year period.

The DPC/DUMA group comprises Conoco (30 per cent operator), CFP (25 per cent), Hispan Oil (25 per cent) Deutsche-

Fexaco (10 per cent), Wintershall (5 per cent), and Sun Oil (5 per cent). The group began producing oil in Dubai in 1969 from the Fatch field and later from Southwest Fatch (1972), Falah (1978) and Rashid (1979).

The group sees the new concession as a logical extension of its reinvigorated offshore exploration effort under which it has shot close to 600 line kilometres of seismic this year. With its wealth of experience in Dubai, the group's wish to

participate in the current round of licensing once again underlines the tremendous renewed interest in the oil potential of Dubai since both new exploration philosophies and techniques have been brought into play over the last two years.

Since October 1982, Shaikh Rashid has carried out his plan to grant concessions for all available territory in one short licensing round. The other concessionaires were BP (October 1982), Taylor Woodrow (March 1983), KCA (March 1983), Adolf Lundin group (May 1983), Mapco (July 1983) and the Lundin group again in October 1983. The first drilling on the new concessions is expected to commence in early 1984.

SHARP RISE IN UAE FUEL CONSUMPTION

Dubayy KHALEEJ TIMES in English 5 Nov 83 p 21

[Text] FUEL consumption in the UAE increased 75 times during the span of 13 years. This is regarded as an unprecedented figure in the history of a developing state.

According to a study prepared by a leading economic expert in the Ministry of Petroleum and Mineral Resources, the phenomenal growth in the consumption of energy not only indicates the pace of development in the country, but it also calls for a reassessment of the entire industrial progress with respect to the consumption of energy.

The figures show that the total consumption of fuel by the UAE during 1967 amounted to a mere 1,400 barrels per day. By the end of the last decade the daily consumption in the country had risen to a staggering 76,000 barrels a day.

The report points out that during the last five years of the last decade (1975-1980), the Gross Development Product of UAE had also increased by more than 20 per cent

It is indicated that the imports of fuel products into Abu Dhabi actually decreased during 1977 by nearly 27.9 per cent. However, the expens claim that the imports increased again substantially next year. They attribute the rise to a considerable increase in population. The reason for the reduction of imports during 1976-1977, the study indicates, was due to the fact that the Umm Al Nar refinery had started production of cooking gas

Similarly the imports in the emirate of Dubai went down during 1981, after the gas was being produced loc ally. Dubai stopped the import of cooking gas from the middle of 1981

The report warns that if the present trend of consumption was to continue with regard to fuel products, the country would face economic pressures Meanwhile, another leading expert in the Arab World has indicated that by 1990, the Arab states could be utilising 60 per cent of their own production of oil.

BANKS GETTING TOUGH ON LOANS

Dubayy KHALEEJ TIMES in English 25 Oct 83 p 1

[Article by K. P. Nayar]

[Text] UNSETTLED by the flight of several merchants and the continuing recessionary trends in trade, banks are increasingly resorting to legal measures to recover their loans.

Bankers, businessmen and sources in the legal profession said there has been a rash of legal notices asking for repayment of loans in recent weeks, a course of action hitherto avoided by financing institutions even in extremely difficult cases

The change in their attitude appears to have been triggered by the abrupt closure of several business establishments without honouring their commitments to banks.

Expectations among the financial community that a system of exit permits would be introduced as a safety valve have now been belied and even chambers of commerce which took up the issue last year have now stopped active pursuit of the idea.

There is a feeling among bankers that we must get hold of what we can before a customer who is showing signs of financial distress decides to call it a day," confided one banker vesterday.

Adding to their fears is that many of the loans, especially to expatriate businessmen, have been given on the strength of guarantees that financial institutions elsewhere might consider madequate "Expatriates do not own property. The security that is normally given is their stock, sometimes overinvoiced and in rare cases even non-existent," one banking source said.

Also worrying bankers is the prospect of a situation where banks might find themselves ranged against one another as claimants for the same assets. This follows from the situation where there are few restrictions on one firm banking with several banks

Although action to correct this anomaly has been initiated with the setting up of the Risk Bureau in the Central Bank, bankers believe that it may be sometime before the full benefits of the new facility percolate to retail banking.

Sources said many of the cases that were being handed over to lawyers were the ones that have been pending for a long period. They said that in many instances bankers expected the errant customers to go in for a negoti ated settlement after the notices are served in view of the high additional legal expenses that they will have to incur and the trouble of having to go through the rigmarole of the legal process

For banks also, the problems of legal action would be cumbersome Legal experts said normally the account would be closed as soon as the matter reaches court, as a result of which interest will cease to account

And after judgment, interest is usually awarded at only nine per cent for the period between judgment and the actual repayment. What is worse for the banks is that settlement is made pari passu, with the banks ultimately

recovering only a part of the original advances what with other claimants also sharing the assets.

That despite these problems, banks have opted to go in for legal recourse is seen in business circles as an indication of the hardening attitude of the financial community towards business financing.

UAE EFFORTS FOR BOOSTING FARM OUTPUT HAILED

Dubayy KHALEEJ TIMES in English 15 Oct 83 p 3

[Article by Raman Kapoor]

[Text]

GOVERNMENT subsidy to farmers and fishermen, integrated research programme, farm extension work and training of local manpower have helped the country in achieving a dramatic increase in agricultural and fisheries production over a 10year period.

This was stated by Dr Zidan E. Abdel-Al, FAO adviser to the UAE government, in an interview with Khaleej Times yesterday on the eve of the World Food Day.

He said that the agricultural and fisheries output had crossed the 443,000-ton figure—vegetable crops 160,000 tons, field crops 123,000 tons, fruits 60,000 tons and fisheries 64,000 tons. Compared to the position 10 years ago, he said the rise was to the tune of over 200 per cent.

He said the FAO was looking forward to encourage the small farmers for starting foodgrain production.

Talking generally about the world food situation, the FAO adviser said "it is on the decline, specially in the Third World countries." He said that in the African continent the growth rate of foodgrains had slumped from 2.8 per cent in the 1970s to 1.4 per cent in the 80s with the population pressure in most of the countries

assuming alarming proportion.

He said that "the number of people suffering from inger in the world is 450 million and those who do not have enough food is 870 million." If one considered the plight of 37 lowest-income countries, as many as 34 are without adequate food, he added.

"Priority must be given to agriculture as the food must come first for the hapless people," he stressed. He said that the FAO was encouraging self-reliance among the UN members through verticle expansion of agriculture. Good seeds, superior fertilisers, modern irrigation methods, and pest control measures and handling of produce to minimise the after-harvest loss are among the areas where the FAO is rendering assistnace, he said.

ADNOC CHLORINE PLANT MAKES GOOD PROGRESS

Dubayy KHALEEJ TIMES in English 24 Oct 83 p 17

[Article by Dara Kadva]

[Text] NATIONAL Chlorine Industries, in Umm Al Nar, a 100 per cent Adnoc-owned subsidiary, has made tremendous strides since its plant went into operation in 1981, supplying 90 per cent of its products to the home market and the rest to the AGCC countries.

> Its sprawling 100 million dollar plant, which is a part of the massive Umm Al Nar industrial complex, produces drilling and table salt, liquefied and dry compressed chlorine, hydrochloric acid, caustic soda, chlorox and potable water.

> The German-supplied plant uses only sea water as its feed stock, but takes the water from the nearby Umm Al Nar Water Plant's final discharge, 95 per cent of which goes into the sea while only about five per cent is derived by the NCI through a special pipeline.

> In the home market, 80 per cent of the products are supplied to the oil companies and the Water & Electricity Department and 10 per cent goes to such industries as detergents, textiles, paper and food industries and other such diversified applications.

> 'UAE used to import all its chlorine requirements till 1981. But there is no longer any chlorine imports now, and in fact some is exported to the AGCC and other Arab countries," said the manager of NCI, Mr Gailan Al-Azzawi, in an interview with Khaleej Times. It is packed in non-corrosive steel containers

> The oil companies, which take upto 5,000 tons of drilling salt annually from NCI, use it to inject back into the

earth after the oil is taken out. Smaller quantities of caustic soda are also mixed at the time of injection.

NCI is a comprehensive industrial company, having its own administrative, marketing and transport infrastructure, Al-Azzawi explained. It operates a fleet of 160 trucks and supplies 80 per cent of the home market in its own fleet. "It is a profitable operation and in 1982 we had Dh 800,000 profit from transport alone,' he said.

The company's gross turnover last year was Dh 80 million, and has till the end of September this year reached Dh 30 million, which is a down-trend in view of the lower off-take by the oil companies. The plant is presently operating at 80 per cent of its installed capacity. "After accounting for variable costs, depreciation, etc., the company has so far made good profit during the past two years," Al-Azzawi added but gave no figures.

The plant uses gas as energy, supplied from the Umm Al Nar refinery, which in turn gets it from Gasco's Khafshan field through a pipeline. "We pay for this gas and it is not supplied free," he said. "In fact, our entire operation is based on quality, service and competitiveness and we have to compete with foreign suppliers in the vast home market. Even for supply to the Adnoc group of companies, we have to bid as one of the tenderers and enjoy no preferential treatment from them.

The home market, and also that in the AGCC countries, is threatened with a virtual dumping tactic by some Far Eastern suppliers, and we are able to hold our own only because of our reduced energy and production cost.

NCI PRODUCTS	TONS PER
Liquid Chlorine	6,600
Hydro-chloric Acid	21,000
Caustic Soda	18,000
Drilling Salt	5,200
Table Salt	2,000
Bleach	3,000
Distilled Water	400,000

PACKAGING

One ton container, and 68 kgs cylinders Jerrycans of 50-32 kgs, bulk in road tankers, and direct filling into ships Jerrycans, steel drums, bags 50 kgs bags 1 kg bags Jerrycans and I litre bottles Road tankers

There has been no AGCC preferential treatment so far and duty relief available to our kind of industries, but we certainly look forward to have some protectionist measures to guard the national industries against unfair foreign competition," he said.

Ours is the first chemical plant in the UAE. Even the fertiliser plan came after us. But we are yet to have our official opening ceremony. In the Gulf, only Kuwait and Saudi Arabia have such large chemical plants, as part of the petro-chemical complexes. Kuwait has one plant in Shuaiba, while Saudi Arabia has two plants, one each on the eastern and the western coasts," he added.

We like to undertake expansion work immediately, but the market has

become unsecure in view of the world oil situation, on which we are directly dependent. We can expand only if the oil companies do. We also have only short-term, and not long-term, supply contracts because of the periodic differentiation in prices."

The plant employs 210 persons belonging to 14 nationalities, of whom 28 are national employees. But the overall ratio is retained as 50-50 between Arabs and non-Arabs, as part of

the Adnoc Group policy.

The plant is built on reclaimed land, which had added to the investment cost, but the chemicals production has created no pollution problem at Umm Al Nar, either in the sea or in the air, Al-Azzawi claimed. Whereas chlorine plants gave strong chemical smell over the entire surroundings in the past, there is none now and even the NCI office, laboratory, workshop and other such facilities have spacious green gardens with fine lawns and flowers.

The plant staff are provided training facilities at the Adnoc Training Centre of the Airport Road.

NUMBER OF ASIAN EXPATRIATES FALL

Dubayy KHALEEJ TIMES in English 21 Oct 83 p 1

[Article by Maruf Khwaja]

[Text] MORE foreigners appear to be leaving than entering the country.

The change in population ratios is particularly marked in the case of Asian expatriates where the "net loss" may be in excess of 25 per cent over the past 12 months or

50.

Whilst most assessments of changes in the country's demographic composition are based, for the time being, on rough estimates and inferential indicators such as the deployment, import and repatriation of labour, some hard evidence that there is a net outflow of aliens is also available in the form of statistics maintained by embassies and consulates.

A record of Transfer of Residence (TR) endorsements kept by the Pakistani consulate in Dubai shows that during last three months its officials registered almost three times more TR documents as they did in the corresponding period of 1982. A TR certificate is taken by most Pakistanis upon their permanent return home because it entitles them to bring into the country a range of expensive appliances and household articles at reduced or concessional rates of duty.

According to an official at the consulate, the first three quarters of this year experienced a decline of about 40 per cent in the issuance of work visas to Pakistanis compared to the same period of 1982.

Indian consular officials told Khaleej Times that the consulate did not now maintain a record of TR endorsements following changes in customs procedures which no longer required such certification. But on the basis of "close observation" of the pattern of Indian immigration into this country, an official was able to estimate an increase of up to 20 per cent in number of Indians returning to their country over the past 12 months' period.

Likewise, the Bangladeshi consulate does not maintain a record of its departing nationals in any form, but a spokesman said "at least twice as many Bangladeshis are leaving the country upon the completion of employment contracts as last year." The estimate was derived from "regular consulate contracts" with the relatively small Bangladeshi community.

Observers cite two factors as being partly responsible for the bulk of the Asian outflow the six-month stay-out rule which has meant that unemployed labour, especially that part of it which has been engaged in construction jobs now completed, cannot pro-

long its stay in the country; secondly, selective retrenchment especially of unskilled and semi-skilled employees of utilities and service industries as part of general economy measures applied at both public and private sector levels.

But despite such evidence of demographic change, one immediate effect of a drop in the population—a decrease in house rents—is conspictiously absent in the Northern Emirates. According to indications, middle level accommodation is getting mere scarce and cost/lier in Dubai and Sharjah.

Observers say the decline in the Asian population is partly being made

up by a gradual rise in the number of other communities. Pointing to stepped up oil exploration activity, evident in the grant of new concessions onshore, they say there is likelihood of a minor influx of American and European expatriates especially into the Northern Emirates. One American oil company, for instance, has reportedly booked 60 villas for families of emplovees currently engaged in drilling work that is likely to develop into productive wells. Another major multinational oil concern has hired all available accommodation in an upper class Dubai neighbourhood. The region's leading producer of aluminium is also reported to the embarked on a fresh recruiting pagramme following a decision to increase production.

Knowledgeable sources point out that all new immigration is now qualitatively and quantitatively different from the old which had seen an influx primarily of unskilled and semi-skilled labour mainly from the Indian subcontinent. With most construction jobs now complete, economic activity with all its attendant restrictions arising out of the oil glut, is turning to a stage of consolidation. The revival of oil exploration, hardly labour intensive, calls for a totally different class of manpower-highly skilled and professional and far smaller in number than the type that is now moving out.

Travel trade sources also confirm the changing patterns of the country's population. An agency manager said while a number of group visas were issued last year for the import of manpower from the sub-continent for construction projects, this year so far only one group visa—and that for only 50 people—had resulted in an air transportation contract for the carriage of labour. A factor contributing to the grant of, indeed even application for, the group visas is the requirement that 30 per cent of the labour force to be imported should be Arabs.

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FOUR PERCENT DUTY NOW IN FORCE

Dubayy KHALEEJ TIMES in English 7 Nov 83 p 1

[Article by K. P. Nayar]

[Text] The UAE underscored its commitment to the unified economic agreement among AGCC states on the eve of the Doha summit yesterday by raising customs duty to four per cent as decided by the council's financial and economic cooperation committee at a meeting in Riyadh in May this year.

Decrees raising the duty with immediate effect were issued yesterday in all the emirates which were charging the levy at one per cent.

In Abu Dhabi, the Minister for Economy and Commerce, Mr Saif Al Jarwan, said the increase was in accordance with Para 1 of Article 4 of the unified economic agreement which had been approved by the federal cabinet.

He also traced the revision to a meeting of the economic cooperation committee on October 5 which had decided to push through the recommendation of the Riyadh meeting.

In Dubai, which accounts for about 55 per cent of UAE's imports, the decree was issued by Shaikh Maktoum bin Rashid, Crown Prince, imposing the revised charges on goods discharged by air, land or sea from today.

Goods hitherto exempt from customs duty will continue to be dutyfree, the decree added. These include imports on behalf of the Rulers of the emirates, government departments, hospitals, clinics and medical missions, diplomatic missions, oil exploring or producing firms, 35mm films for public exhibition, Holy books and printed matter for schools, newspapers and magazines, personal effects, commercial samples and airlines' operating equipment.

Also among the exempted items are rice, wheat, wheat flour, sugar, fresh and frozen meat, fresh fish, fresh fruits, fresh vegetables, livestock, animal food and all goods entering Dubai from the other emirates.

Following the decree, instructions have been communicated to banks in the emirate to accept duty at the revised rates.

Although the timing of the revision took Dubai's business community by surprise, many of them were relieved that for the first time the change in duty will not apply to goods that are lying in the port awaiting clearance by consignees.

Many merchants with large stocks, who have been taking things easy after the expiry of the September 1 deadline, will be spared of the increase as a result of this decision.

However, there was concern yesterday that the process of clearance at ports may be slowed down as consignments will now have to be verified to determine their date of arrival. Also, goods still on the way to Dubai, for which duty has already been paid at the old rates will now be cleared only after the difference has been remitted to banks.

Shipping sources said duty is often paid two to three weeks in advance of the arrival of consignments in order to speed up clearance.

In Abu Dhabi, it is learnt that the revised duty will be applicable on all consignments that are awaiting clearance at the port irrespective of their date of arrival.

Trade sources in Dubai expressed confidence yesterday that the emirate's role as an entrepot will not be affected as a result of the four-fold increase in duty. They pointed out that re-exports would be free from duty and will, therefore, continue to bring in revenues to Dubai's merchant community.

About 60 per cent of the goods imported into the emirate are re-exported, primarily to neighbouring Gulf states. As such, it is widely expected that Dubai's free trade zones will be put to greater use by importers who will now prefer to store their re-export consignments in the zone pending transhipment.

A number of importers candidly admitted that the increase was a morale-booster for them at a time of recession. They had imported large consignments in anticipation of the increase, an action that has now been vindicated.

Market sources did not anticipate any sudden increase in prices as it was felt that it may take months for many importers to feel the pinch. A number of them are holding large stocks which have been brought in at the old rates.

"There is now a moral justification to raise prices," one leading businessman said. "But it all depends on whether the market can actually bear the increase."

Traders were, however, unanimous that distress sales would now stop and many merchants would prefer to hold on to their stocks rather than sell them below cost.

FIVE MORE AIRLINES TO OPERATE THROUGH DUBAI

Dubayy KHALEEJ TIMES in English 12 Oct 83 p 2

[Text.] FIVE more international airlines are to touch down at Dubai from next month, using the services of the international airport with full traffic rights, it was officially announced vesterday.

> The five are: CSA, the Czechoslovakian national airline; Malev. Hungary's national carrier; Royal Nepal Airlines, THY, the Turkish airline and Iberia, the Spanish carrier

Their commencement of operation would bring to 43 the number of passenger and cargo airlines which use Dubai airport with traffic rights. The number would make Dubai the leading airport in the Gulf region for airline stop-overs

Of the five carriers, two are familiar names to travellers in the region because of services they already operate through Abu Dhabi. THY and Iberia have been operating scheduled services—the former for more than three and the latter for one year. CSA, the Czech carrier, has been flying irregular charters for both passenger and cargo carriage, but their services are less generally known in the area Royal Nepal, the carrier of the land locked South Asian mountain kingdom whose ruler was recently in the UAE on a private visit, is probably the only genuine newcomer to Dubai

All five carriers are already represented by GSAs in the emirate, a status which should now be quite advantageous with the airlines coming "on-line". Turkish and Maley are represented by Naboodah Travels; Al Ghaith Al Moosa are GSA for the Czech carrier; Eissa Travels represent Royal Nepal while Al Rais are well known for being GSAs of Iberia, the Spanish airline.

While the two East Bloc carriers would be serving routes considered somewhat off the travel mainstream though with considerable vacation potential, the Turkish and Nepali airlines would be placing additional capacity on one of the region's busiest routes, the Dubai-Karachi run.

According to a spokesman for Eissa Travels, Royal Nepal would be operating from Kathmandu through Karachi with full traffic rights in Pakistan. But the airline equipped so far with narrow-body aircraft would not be influencing the market as much as Turkish airline which also operates DC-10 aircraft besides 707s now serving the Gulf routes

A spokesman for Al Naboodah Travels said Maley, the Hungarian airline, would inaugurate a direct Budapest-Dubai service on November 3 while the Turkish carrier would be operating its London-- Istanbul - Dubai - Karachi service on November 5

THIRD CONTAINER BERTH FOR PORT KHALID

Dubayy KHALEEJ TIMES in English 25 Oct 83 p 18

[Article by Maruf Khwaja]

[Text] THE container terminal at Sharjah's Port Khalid is to be extended. The project to construct a third berth which will increase the terminal's capacity to handle boxes by 1,100 TEUs has been approved and work on the quay extension is to commence by the middle of November

> Mr Barry R. Coughlan, director and general manager of Gulftainer, whose

metres long, fronting a box storage each, according to Mr Coughlan. irea of 26,000 square metres. With its completion, the terminal would have a contiguous berth length of 563 metres, supported by 131,000 square metres of storage space and a capacity to handle 5,600 TEUs

Mr Coughlan said the third berth would also require the installation of vet another shore gantry crane runring on rails which would then extend til along the length of the berthing irea The added berth length will enable the port to receive the largest container ships operating. It could take simultaneously three large vessels or five of average size.

Mr Coughlan said in expectation of the new undertaking, that area of the harbour's outer basin which is adjacent to the quayside had been dredged

to a depth of 11.5 metres. The dredging was completed late last year.

Asked if in view of the increasing trend towards containerisation port authorities might consider converting general cargo berths, Mr Coughlan said there was room enough in the harbour complex for developing new quaysides without disturbing existing facilities.

This was apparent in the demarkation of the filled area adjacent to the SCT division is the operator of the lee breakwater opposite the north terminal, told Khaleej Times yester- wharf by the inner basin, for future day that while the extension in its development. The trend towards conentirety would be completed in about taiaerisation notwithstanding traffic two years, the berth itself would be at Sharjah port was about evenly brought into operation much earlier divided between container cargo and The third berth would be 200 breakbulk, roughly a million tons

On the container side, traffic

development had remained steady with a growth of about seven per cent during the first three quarters of the year compared to the same period of 1982. The nine months of 1983 produced 42,000 TEU's while projection for the whole year amounted to 58,000 TEUs.

oughlan said in response to s thout the terminal's comess especially since his comyour took over operations, that the 'overberth' and "overcrane" situation that had existed in this particular area had in the past influenced lines to shop around for the best handling

rates. This had, by and large, settled down now and variance between Sharjah and her neighbouring ports was minimal. The key factor in enabling a choice to be made was the personal approach the operator made towards particular requirements and problems of the clients "which we at Sharjah feel we can offer". Mr Coughlan said Gulftainers greatly appreciated the encouragement and assistance they had received from Sharjah Port Authority which led to "reversing the bleak outlook of early 1981 to the present day situation which is encouraging to say the least"

IRAN VESSEL'S FIRST VISIT TO EMIRATES

Dubayy KHALEEJ TIMES in English 3 Nov 83 p 15

[Text] THE 'Iran Motahari', the latest bulk carrier of Iran's state owned shipping company arrived in Port Khalid yes-

terday on its maiden voyage to a UAE port from Bandar Khomeini

The 40,000 DWT vessel which had carried a consignment of 31,500 tonnes barley from Hamburg to Bandar Khomeini will be sailing tomorrow for Argentina. It had brought 94 empty containers to Port Khalid It arrived accompanied by the 16,000 DWT 'Idalat' which has berthed at Port Khalid for bunkering and minor repairs

Captain LB. Gault, skipper of the

Motahari' told a shipboard reception to welcome the vessel that they had sailed into Bandar Khomeini "completely without incident" on October 31 as part of a convoy of 14 ships. As they sailed into the harbour, another convoy of 18 vessels moved out of Bandar Khomeini where, he claimed, there was no evidence of the entrance being mined.

The 'Motahari', bought by the Islamic Republic of Iran Shipping Lines from a Spanish company, is four years old. It has a crew of 30.

The reception on board the Motahari was attended among others by executives of the IRISL's local agents, officials of the port authority and leading Iranian.

DAILY COMMENTS ON GULF SECURITY

GF081030 Abu Dhabi WAM in Arabic 0605 GMT 8 Jan 84

[Text] Al-Shariqah, 8 Jan (WAM)--In its editorial today, the newspaper AL-KHALIJ said that the time has come to discuss the security and stability issue in the Gulf region from a more realistic and scientific concept and not as some people understand it: "Existence of security forces in various and numerous forms."

In its editorial written by Dr Muhammad al-Rumayhi, the newspaper said that the wide concept of security is that every citizen becomes a protector by linking the people to well-known establishments, which will be respected and feared by the cruel and the mean.

AL-KHALIJ affirmed that the realistic circumstances of our region regarding "the scarcity of the number, the large presence of non-Arabs and our region being the object of others' ambitions, imposes on us to accept the concept of security with its comprehensive meaning, because security will be further strengthened and affirmed by the citizens' participation."

AL-KHALIJ concluded by saying that whatever implies to the concept of security with its comprehensive meaning also implies to the concept of stability, because there is strong confusion between the concept of social stability and concept of inactivity and the required stability is "to understand that the society is mobile and the people's interests are versatile and there should be channels to reveal those interests. These channels should be through the establishments because the inactivity will certainly lead to a long-term unstability."

BRIEFS

UAE INCOME AT DH 39.5 B--The UAE's public income in 1982 was Dh 39.47 billion and public expenditure Dh 41.7 billion, says the Central Bank's half-yearly report. It says that these figures came from the four emirates of Abu Dhabi, Dubai, Sharjah and Ras Al Khaimah. The Dh 39.47 billion the UAE earned was made up of Dh 34.6 billion from oil exports (87.7 per cent), Dh 1.57 billion from customs levies (4 per cent) and Dh 3.26 billion from other sources (8.6 per cent). The comparable figures for 1981 are Dh 50.5 billion for all public earnings, Dh 45.4 billion for oil revenue (90 per cent), and Dh 1.6 billion from the customs (3.3 per cent). The breakdown of the Dh 41.7 billion public expenditure was given as follows, Dh 26.3 billion (62.7 per cent in current expenditure, Dh 9 billion (21.6 per cent in expenditure on expansion, and Dh 6.5 billion (15.7 per cent on capital expenditure.) The comparable figures for 1981 are a total expenditure of Dh 44.8 billion, divided into Dh 27 billion current expenditure (60.3 per cent), Dh 8.3 billion on expenditure on expansion (18.7 per cent), and capital expenditure of Dh 9.4 billion (21 per cent). [Text] [Dubayy KHALEEJ TIMES in English 24 Oct 83 p 15]

STATE FIRMS IN ABU DHABI TO GO PUBLIC--It has been decided to dilute 100 per cent Government ownership in non-oil industries in the Abu Dhabi emirate and offer an opportunity to the private sector to participate in its equity, Mr Juaan Salem, Under-Secretary in the Abu Dhabi Finance Department, said yesterday. The percentage to be offered for public subscription is yet to be decided and may differ from one industry to another, he added in a statement to KHALEEJ TIMES. All Government-sponsored industries in future will have public participation as a rule, ne said. Presently, the Government owns several medium-to-large industries in the cement, communications and agricultural sectors. Some of these were established many years ago and had to be wholly State-owned because the private sector at that time was "in a primary stage lacking administrative and technological expertise, besides finances," Mr Salem said. But the Government is now interested in broadening the base of these industries—both financially and administratively—to make them competitive, he added. [Text] [Dubayy KYALEEJ TIMES in English 20 Oct 83 p 1]

POPULATION STATISTIC--The UAE population in December 1983 reached 1.3 million people. [Summary] [GF111523 Manama WAKH in Arabic 1315 GMT 11 Jan 84]

EMIRTEL PROJECT BUDGET—The board of directors of the Emirates Telecommunications Corporation (Emirtel) yesterday endorsed a dirhams 587 million budget for next year's projects, Mr Mohammed Eid Al Marikhi, member of the board and head of its executive committee, said. He said the board's 33rd meeting which ended in Abu Dhabi yesterday under the chairmanship of Mr Mohammed Saeed Al Mulla, Minister of Communications, also endorsed the administrative and operating budgets for next year. Mr Eid Al Marikhi said the projects for the coming year included a ground station to be linked with the Arab Satellite, cables linking the Northern Emirates and the UAE-Pakistan submarine cable. [Text] [Dubayy KHALEEJ TIMES in English 20 Dec 83 p 3]

DH 175M PROJECTS COMPLETED--A number of projects of the Ministry of Information and Culture, have been completed in the emirate of Abu Dhabi at a cost of 175 million dirhams. The projects include a film production unit, the second TV channel, video-tape archives building, telephone equipment and Emirates News Agency (WAM) building. Meanwhile, the construction of six cultural centres--in Dubai, Ras Al Khaimah, Ajman, Umm Al Quwain, Zayed City and Fujeirah-at a cost of Dh 42 million is in progress. The value of the ministry's projects in Fujeirah was Dh 8 million, in Sharjah Dh 47 million, in Umm Al Quwain Dh 3 million, in Ras Al Khaimah Dh 11 million and in Ajman Dh 6 million. [Text] [Dubayy KHALEEJ TIMES in English 13 Nov 83 p 2]

SHARJAH AIR TRAFFIC RISES--More people used Sharjah international airport and airlines flew greater number of flights during the first nine months of this year than in the corresponding three quarters of 1982. Statistics just released by Sharjah Airport Authority show that while scheduled flights in and out of the airport increased by 15 per cent, the volume of passenger traffic registered a rise of 21 per cent to a high of 324,083. Freight tonnage for the same period was however down by almost half. The highest increase in terms of passenger movement was in outbound traffic—a phenomenal 31 per cent which indicated the growing popularity of the airport as an exit point, although the difference between the number of outgoing and incoming passengers—72,774 and 66,268 was not very great. Incoming traffic rose by about 20 per cent. [Text] [Dubayy KHALEEJ TIMES in English 12 Oct 83 p 2]

'ALI NASIR MUHAMMAD APPROVES 1984 BUDGET

GF182028 Aden Domestic Service in Arabic 1500 GMT 18 Jan 84

["Test" of decree, issued by 'Ali Nasir Muhammad, secretary general of the YSP Central Committee, chairman of the Presidium of the Supreme People's Council, and chairman of the Council of Ministers, approving the 1984 budget of the fourth year of the second 5-year economic and social development plan on 18 January--read by announcer]

- [Text] 1. This decree shall be named the general budget for the year 1984.
- 2a. The amount of 328,509,687 dinars will be allocated for the state's expenses, as shown in the schedule of the expenses appended to this decree.
- b. From the amount mentioned in a, 132,066,000 dinars will be allocated as investment expenses, as shown in item 5 of the schedule of expenses appended to this decree.
- 3. The state's income during the year 1984, including foreign sources, are estimated at 213,140,029 dinars, as shown in the schedule of this decree.
- 4. Taking into consideration item 7 and 8 of this decree, the general accountant can, under authorization from the finance minister, spend from the state's money during the fiscal year ending 31 December 1984 any amounts not exceeding 328,509,687 dinars.
- 5. Money allocated under this decree will be spent on services and development projects which will be carried during the fiscal year ending 31 December 1984. Any amount left unspent on 31 December 1984 cannot be spent in any month after that date, as per item 8 in this decree.
- 6. Spending of amounts allocated under this decree will be made according to financial laws and regulations. Interchanges between the provisions of the same article should not be made without the Finance Ministry's approval under conditions and situation stipulated by financial laws and regulations in force and in accordance with the minister of finance's directives; no interchanges should be made between the current expenses and the investment expenses.

- 7a. After this decree is enforced, no ministry or government department can exceed the expenses allocated to it under the budget without the approval of the Supreme People's Council or the Presidium of the Supreme People's Council in the period between the council's two sessions.
- b. Without contradicting the provisions of the clause c of this article, no commitment of any investment amount can be added without setting and approving an equivalent income for it and after the approval of the Presidium of the Supreme People's Council; no source of income can be transferred from a foreign source to a local source without the approval of the Presidium of the Supreme People's Council after a proposal by the ministers of finance and planning.
- c. It is possible to (?increase) the allocations of investment projects under the general budget if this be made necessary by an increase in the cost of implementing a project; it is also possible to include allocations for studies projects not included in the budget. These (?increases) or extra allocations will be considered extra credits for the allocations of Part 5 as shown in clause b of articles 2 and 4 of this decree.
- 8. The general accountant, under authorization from the Ministry of Finance, can continue to spend on development projects included in investment plans for the year 1983 for which no allocations have been made in the 1984 budget within the limits of the amounts left for them from the allocations of fiscal year 1983; these amounts included in articles 2 and 4 of this decree. [Sentence as heard]
- 9. Ministries and government departments should consult the Ministry of Finance on draft laws and decisions which might result in financial commitments from the coffers before presenting them to the concerned parties for approval.
- 10. The Ministry of Finance is the party responsible for executing the general budget according to this decree. The minister of finance shall issue decisions and directives appropriate to the provisions of this decree.
- 11. The minister of planning shall exercise the authority pertaining to interchanges in part 5 pertaining to investment expenses, allocating amounts for projects, and listing new study plans.
- 12. The minister of planning shall issue the appropriate authorizations on the expenses and income of the fund of the martyr's families and the social affairs fund.
- 13. This decree will be effective as of 1 January 1984.
- 14. This decree will be published in the official gazette.

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

BRIEFS

MINERAL AGREEMENT--Minutes were signed today between the oil and minerals committee and the Arab Minerals Company on exploiting mineral deposits, the feasibility of which will be determined after a technical study is made. [Summary] [GF172058 Aden Domestic Service in Arabic 1630 GMT 16 Jan 84]

PRAVDA ARTICLE ON ANTI-TUDEH CAMPAIGN IN IRAN EXAMINED

Kabul KABUL NEW TIMES in English 2 Jan 84 pp 1, 3

[Text]

MOSCOW, (Bakhtar)
In its December 31 issue
the newspaper Pravda
carries Konstantin Vitalyev's article 'who needs
this? The article says:

"The trial of patriotically-minded officers (the so called 'secret Tudeh organiztion' and together with it of some activists from among members of the Tudeh party of Iran is going on at the tribunal of the armed forces of the Islamic Republic of Iran. From the viewpoint of domestic policy the trial apparently is attempt to get some 'material' for the trial that is being prepared of he leading Tudeh officials who were seized early in 1983. It appears that despite the terrible torture and brainwashing to which the detainess have been subjected the organisers of the trial do not have at their disposal factual data that could back up the absurd charges made against the Tudeh party.

The tribunal is characteristic of the atmosphere that is being generated in Iran. A state of spy mania, of physical and moral terror is being pped up in every The extreme right-wing circles in Teheran busy searching for a pretext that would result in a worsening of Soviet-Iranian relations. Yet another provocation is being undertaken and Iran's judiciary choosing time to serve as its instrument. An attempt is being made to accuse the defendants of taking part in the collection of espionage information of a military and political nature that was supposedly then handed over through the Tudeh party to the Soviet Union.

The untenability of such contentions is obvious. Neither the Tudeh party of Iran nor any other political organisation has supplied the USSR with any espionage military 'information'. Such methods are altogehter alien

to communist parties, to the communist movement by its very essence.

Charges against communists of espionage in favour of the USSR are a 'traditional' weapon in the arsenal of imperialist reaction which realises that the strength of communists is in their selfless service of their peopple. The imperialist reaction regards attempts to sow doubt in the masses about the patriotism of communists, to portray them as people supposedly serving a foreign power' as a method, along with terror and repressions, of undermining the positions of communist parties, of eroding the faith of working people in communists who are not stinting either effort or their very lives in the name of ensuring the freedom and happiness of peoples. The circles that have organised the present judicial farce in Teheran have been incapable of inventing anything more original than making resort to this long discredited method. But that is only one aspect of the matter.

The trial in the Iranian capital is being conducted as yet another link in the chain of provocations against the Soviet Union that are being constantly organised by the western special services and first of

all by the Central Intelligence Agency of the United States. This trial on trumped up charges is a component part 'crusade' organised by the Washington administration against socialism, against all progressive, democratic forces in the world. In its attempts to impart an all-out nature to its 'crusade' the Reagan administration is putting to use all the means at its disposal.

Certain forces in as well have joined those who are pulling the charriot of this 'crusade'. They are not deterred by the indisputable fact that this merging of forces contradicts the cardinal interests of the Iranian For American people. imperialism has by means given up its attempts to undermine positions of tht regime existing in Iran and still hopes to bring Iran back under its rule.

In their efforts the reaction across the ocean has acquired zealous associates in the ultra rightwing movement in Iran. The reactionary groupings that oppose the implementation of the social and economic reforms which were expected by the popular masses after the anti-Shah revolution 1979, are doing everything to destroy the fruit this revolution. The 'ultras' are trying to draw the ruling regime onto the path of blind fanatism, of a total elimination of democratic freedoms. and roll the country back to the times of the cruel arbitrariness that was characteristic of the monarchy's despotism.

The campaign against the Tudeh Party is explained by the fact that in this party the reaction sees a force courageously and consistently coming out for Iran's real independence and progress. It is with the lives of thousands of its best sons that the Tudeh party paid for the dawn of genuine freedom to begin over Iran.

Now an attempt is being made to eliminate this dawn, and the executioner again is being raised over the party of true patriots. It was admitted by Iran's procurator general that already more than 8500 members of the Tudeh party of Iran had been arrested by the middle of 1983. The present judicial farce at the military tribunal is yet another step on the road to achleving the cherished aim of the extreme reactionaries-the 'destruction' of the communist movement in the country.

At a session of the tribunal impermissible lying inventions about the USSR were uttered by officials, among them the chairman of the court and the prosectuor. The obvious aim of the organised anti-Soviet propaganda clamour is to develop among the Iranian people feelings of hostility to the Soviet Union.

Such efforts cannot but evoke the protest of Soviet people. The Soviet side has not provided any whatsoever pretext for actions contradicting the interests of Iran to be ascribed to it. The USSR has not sought and not seeking for itself any special rights or privileges in Iran. Non-interference in internal affairs. respect for sovereignty and independence, development of friendship and goodneighbourhood-these are invariable principles of the USSR's policy respect of Iran.

One of the aims of the judicial farce in Teheran is to get a pretext for inflicting damage to other revolutionary imperialist movements of our time as well. Certain circles in Teheran have in practical terms joined the pursuance of the malicious slanderous campaign started by the Washington administration with the aim of making the gullible believe that by allegedly making use of communist organisations the USSR strives to turn the armed forces of developing countries into a sort of 'instrument' of interference in the internal affairs of others.

Since there are no facts whatsoever in existence, they are being fa-

bricated. And no scrouples are being shown in the choice of means. It is obvious to every clearly thinking person that such allegations are totally groundless. Quite naturally, such acts of political subversion cause the legitimate indignation of Soviet people, communists, of all those who treasure the cause of the freedom of peoples.

The Iranian leadership is well aware of the USSR's true attitude Iran. neighbto ouring state that has a common border of 2500 kilometres with our country. The USSR does not have the slightest intention to worsen relations with its southern neighbour. On the contrary, everything necessary is being done for these relations to develop in the interests of peace and for the mutual benefit both sides. That is why Soviet people expect the dirty and totally groundless campaign of slander against the USSR to be stopped by the appropriate forces in Iran. Otherwise the entire responsbility will rest with the guiding circles of that country.

CSO: 4600/259

MUJAHIDIN LEADER ADDRESSES ISLAMIC CONFERENCE

GF021148 Islamabad THE MUSLIM in English 12 Dec 83 p 4

[Report by Sikander Hayat and Nusrat Javeed]

[Excerpt] Islamabad, 11 Dec--The leadership produced in the battlefield would rule the future Afghanistan and not what was created in Washington or Moscow, the Afghan Mujahideen leader Gulbuddin Hikmatyar said here tonight.

Speaking as chairman of the second session of the "Islam Today" conference he said the present struggle was for the establishment of an Islamic order independent of influence by any superpower. The propaganda that the Afghan problem was the consequence of superpower conflict in the region was not true, he added.

Mr Hikmatyar strongly rejected the allegation that the resistance was receiving any military help from any other source "except from the Russia in the battlefield." "Our Mujahideen are armed with the captured arms," he added.

The Afghan leader said that grim battle was on between the Soviet troops now numbering 200,000 and the Mujahideen throughout the country. The most recent battle report, received by him yesterday, is from Paktia Province where, he said, two villages have been completely destroyed with napalm bombing. In these villages, one of which he identified as Chanakhah, 15 persons were killed.

Gulbuddin Hikmatyar said that in the last month 30,000 more Soviet troops were inducted into the Afghan war and even then the main roads were not under the government control. All military supplies and stores were moved by air, he added.

He rejected the charge that Afghan resistance was not organized; otherwise, he asked, how could the people of Afghanistan take on the Soviet might and fight it back for over 5 years. When the time comes the well-organized machinery being trained in the battlefield in true Islamic traditions would establish the Islamic society.

He appealed to the Muslim countries to declare Afghanistan as a model Islamic country where one million sacrifices had been made in defence of Islam, he added.

He said that Soviet Union had failed to crush the movement despite having killed one million people besides uprooting another four and half million people. The movement was now stronger than ever before, he added, and described how the Mujahideen has surrounded Kabul and made the life of Afghan rulers and Soviet troops insecure.

He said the Soviet troops were killing only the innocent people and not the freedom fighters, as they did last month in Pagham where they murdered 92 persons. "It is impossible for the Soviet Union to occupy Afghanistan or break the resistance," he added.

The Afghan leader disclosed that since the Soviet invasion 50,000 Russian troops had been killed, 50 tanks destroyed and 250 gunship helicopters and aircraft shot down by the Mujahideen.

Earlier, a number of delegates spoke on various issues including the plight of Muslim minorities.

CSO: 4600/250

GAS PIPELINE TO BE EXTENDED TO SHABARGHAN

Kabul KABUL NEW TIMES in English 2 Jan 84 p 1

[Text] KABUL, (Bakhtar) - A correspondent of daily Haqiqate Engilab Saur reported the following from the Sheberghan city:

> "The Sheberghan city, the capital of Jauzjan province is the first city in the country which equipped with the SVStem of distribution of natural gas to the productive organisations and residential areas of workers. A 12-Kilometre long pipe-line has brought from the main line located in the Jarqudok mine to the With Sheberghan city. the establishment of gas distribution unit, the ground has been poved for distribution of gas in the first step to 1,000-family workers of Gas Extraction and Transport Department and the residential areas of the workers of the Oil and Gas Department. The lines of gas were extended directly to all residential apartments of the workers and in the near future, the aforesaid workers can use the gas not only in central heating systems but also for

cooking purposes. in view that at the second phase, that is, after the design of master plan of Sheberghan city, the ground will be paved for distribution, of natural gas at reasonable prices city.

At present, the use of cooked with gas natural gas, the resource costs us Much cheeper. of our country, has met ing workers of the Extraction and "We, workers with finally could enjoy products of our th the extension of lines to our houses, cooking became more easy and our houses are

It is becoming warm with the use of gas."

Abdul Basir, another worker of the department who has worked there for the last 19 years and engages presently in the Central Heating and Steam to other residents of the Production Unit, has said: "From now on, the food of us, workers, would be which

Similarl, it is envisaged the major problem of the that a Thermo-Plant as in Sheberghan the Thermo-Power plant city from the view point of Mazar Sharif, will be of fuel and on the other, built in Sheberghan city a reliable energetic syst- with the use of natural em with the use of natur- gas, and thus the need of al resources of the coun- the residents of Shebergtry, has been created. Rozi han city for the electric-Bai, one of the outstand- ity, will be solved. Pres-Gas ently, 2,600 kilo-watt ele-Transp- ctricity power per hour ort Department who has is produced in the Shebworked for the last 15 ye- erghan city which is not ars in building and repai- sufficient to meet the exir activities of pipelines penditures of productive of Northern Zone, says: projects, state organisatthe ions and the residents of virtue of the revolution, the city. With the use of the natural gas and building works two turbines of Thermoand labour. Presently, wi- Plant with the capacity gas of 12,000 kilo-watt electrour icity per hour, the shortage of power in the city and its suburbs will be fully met.

In addition to natural gas, 40 thousand condensed oil is also produced daily in average in the Jargoduk and Khwaja Gogerdak mines of Sheberghan. The petroleum products are distributed the residents at Afs per litre. It also is in view to build a small petroleum refinary unit in an area near to Sheberghan city which could provide sufficient quantity of diesel and petrol for the expenditure of Jauzjan povince.

CSO: 4600/259

U.S. ACCUSED OF CONSPIRACIES AGAINST IRAN

GF111016 Tehran TEHRAN TIMES in English 15 Dec 83 p 2

[Editorial: "U.S. Creates Atmosphere of Terror and Panic"]

[Text] Following the recent events in the Middle East region, the interventionist government of the United States is gearing up to launch new conspracies in this region.

The U.S. which itself is a major perpetrator of international terrorism, has created, through a wide-range planning, an atmosphere of terror and panic in various corners of the world.

Inside America, too, the Reagan administration backed by the U.S. mass media is instituting strict security measures.

Among these measures are the erecting of concrete walls, placing of sandloaded trucks around the White House and blocking of the roads leading to and from it.

Also normal activities at airports are greatly altered so as to ensure protection when flying to or from there.

These, together with other security measures in the course of press interviews, have caused an atmosphere of panic, which indicates a U.S. attempt to ready the public opinion for the plots it has designed for the Middle East.

In other parts of the world also, similar programs have been put into effect so that the expansionist U.S. in the guise of "peace-keeping" forces and on the pretext of maintaining security can appear everywhere.

Undoubtedly its very presence in those regions causes tension and evoke reaction from the oppressed people, thus disturbing the security there.

Interestingly enough, recently Reagan has personally assumed the main role of an actor in this conspiratorial scenario and has accused Iran in private and public meetings of being the place where terrorist activities are originated and masterminded, to be carried out throughout the world.

For instance, he has claimed that Iran has trained 1,000 people ready to stage suicide operations, and that it has gathered them in Lebanon.

He has also warned that the Iranis might even come to the United States and that in a word his life and those of his like in the White House are in danger.

This time, too, U.S. imperialism and its theoreticians are blind. The same as they failed in their analyses and anticipation of events in the course of the Islamic revolution, this time too they cannot accept as a reality the ever-increasing progress of the people's movements among the Moslem nations who have been harassed by the domination of the eastern and western superpowers.

Instead they blame other governments for the trend of a natural movement of the people, which stems from the aggressions of the interventionist U.S. Government.

Monday's explosions in Kuwait, as was the case with the Beirut explosions, will apparently become a new pretext for the criminal U.S. to materialize its conspiracies against the Islamic revolution of Iran and thus turn the Islamic Republic into a target of imperialism's propaganda attacks.

Undoubtedly, the nations know the realities very well, and this is enough for us. They feel very well the pressure of the criminal U.S. domination upon their shoulders, and consider these self-inspired movements in the region as the natural consequence of the U.S. plots and pressures.

And there is also no doubt that victory belongs to the oppressed of the world.

CSO: 4600/251

ARTICLE EXAMINES IRANIAN ECONOMY

GF301726 Karachi DAWN in English 24 Dec 83 Business Supplement pp 1, 4

[Article by M.B. Naqvi from the Economic and Business Review Supplement]

[Text] There are two main facets of the central problem faced by the new Iranian Government: to restore the processes of savings and investments, on the one side, and to finance the war with Iraq, on the other.

The revolution of 1978-79 meant flight of capital and disruption of normal economic activity--of the large-scale kind. The war meant additional pressures for both the consumer and the government.

An idea of the size of the upheaval can be had from the setback the economy suffered in purely statistical terms. There is no point in taking up the figures for the year 1979-80, corresponding to the Iranian year 1359, much less the year previous to that, anyhow.

The GNP is supposed to have slid back in Iranian year 1359, corresponding to 1979-80 and there was a negative growth rate of minus 15.2 percent. Later a recovery process began, in terms of statistics alone, in the year 1981-82 (corresponding to the Iranian year 1361) when the GNP rose by 2.1 percent over the previous year.

However, the year 1982-83 (corresponding to the year 1362), the final figures of which have yet to be finalised, the GNP is believed to have grown by well over 10 percent of the 1981-82 figure. It may be even more.

The near spectacular rate of growth is simply explained. It is resumption of oil production and export. By most unofficial estimates, oil production is over 2.6 million barrels per day. The oil income it brings (from around two million barrels per day) is approximately \$2 billion a month. This is the secret of much of the growth rate's sustenance at a high rate.

Insofar as non-oil economy is concerned, there is the same difficulty about comparing the performance now with that of the shah's period. It does not really signify for a number of reasons. One can quote the official figures now being released: In 1982-83 the annual value-added in agriculture was up by 7 percent. Up to a point, this is understandable; agriculture, after all, enjoys the second highest priority after the war.

There is also the effect of the heady days of the revolutionary change in which in some areas the absentee landlords ran away and their estates were, in point of actual fact, confiscated and redistributed among the tenants.

Then, the state subsidies, provision of inputs and an actual improvement in terms of closer correspondence between the monitored reports and progress on the ground, there is reason to assume the picture in the agricultural sector is one of expansion.

In respect of industry, the official figures for recent years are impressive indeed. But the narrowness of the base makes the estimated over 14 percent growth in industrial production during 1982-83, for the second consecutive year, less significant than it looks. All that can be said is that restoration of normality is proceeding more or less steadily.

Conditions in the country vary greatly. There is also the perennial defect in the monitoring system, possibly even more pronounced than in the case of Pakistan. Most non-official observers agree that, except in war-torn areas, capacity utilisation is increasing. In some cases, it is back to 90 percent or thereabouts. In others, especially the production of relatively sophisticated consumer goods, it might still be 50-60 percent.

As a rule, heavy industry led by Esfahan steel mill, has regained much of its lost production. But the picture varies in various parts of the country and from industry to industry.

It is true that the first year of their first 5-year plan seems to have gone well enough. The outlook is claimed to be good for the second one also which is soon to end in a few months' time. But the war, that is unlikely to come to an end anytime soon, cannot but cast a shadow over its prospects.

As a central banker made it plain to me, the crucial test of economic health would be the level of savings and investments. The economy, even after it becomes 100 percent interest-free and Islamic, probably from the new year beginning on 21 March 1984, will still be a free market economy. On this test, it cannot be termed in a satisfactory state insofar as private investments and savings are concerned. Public sector investments provide all the flesh there is in the figures.

Annual war expenditure is Iranian Rls 400 to 500 billion (approx. \$4.5 billion). A budgetary deficit is the natural result; in the current (1983-84) year, the estimated borrowing from the Central Bank--the only way the deficit is to be financed--would be Iranian Rls 890 billion (over \$10 billion). This is a powerful doe of inflation in ordinary circumstances.

The Central Bank is forced to follow a deflationary policy, which cannot sit well with either the requirements of the 5-year plan or the objective of promoting private savings and investments. The war explains the sharp

increase in the growth of money supply (M2) in 1981-82 by 24.2 percent over 1980-81 which, in its turn, saw an increase of 17.8 percent increase in M2.

Iranian Central Bank defines M2 as being the total of note and coins in circulation plus demand deposits in banks, saving deposits and time deposits. The total figure of M2 in 1981-82-the year for which complete figures are available--was Iranian R1s 6350.7 billion. In 1982-83 both the rate of expansion in M2 and its amount in absolute terms are thought to have increased by a lot more. This would indicate virtually uncontrollable inflationary pressures, on the presumption that when supply is increasing by such a rate--maybe 30 percent or more in the current year, prices can scarcely stay unaffected.

That is where economic management's quality comes into sharper relief. Two odd facts may be noted. In the composition of M2, the component made up of notes and coins in circulation is high: one quarter of the whole. Then again, a good third of the whole are in the savings deposits in the banking system. This cannot but have a mixed impact. But a cushion of sorts is provided by the fact that a lot of currency is hoarded without being used for any economic purpose.

In other words, a large section of the economy is virtually unmonetised—a serviceable cushion. For the rest, the management of prices seems to have a success, especially the idea of combining it with an entirely legal free market where the laws of supply and demand can have a free play.

The official cost of living index needs to be quoted as it has been published:

Let us not forget that Iran has had a tradition of maintaining cheap prices of break and certain items of mass consumption; that has been continued and even more effectively implemented.

It is a measure of administrative success—made more striking by the fact of a multiplicity of agencies operating on the ground rather autonomously—that almost every citizen is able to buy essentials in given quantities at stated (controlled) prices, albeit after much queuing. If he has the money and inclination, he can go buy as much as he can from the free market where the prices are, on the average, four times as high as the controlled ones. Creaking perhaps, but the system is working.

Interest rates being charged by banks--until the whole basis of banking changes in 3 months' time--are low by our standards. A commercial borrower pays 12 percent while industry pays from 6 to 8 percent on its loans. Agriculture and housing pay 4 percent, though on certain categories of such loans the rates go down lower still and in some cases it is zero percent.

There are also a few special banks that offer qarz-i-hasana [interest-free long-term loan] for what can only be classified as consumption; but they are a special breed that make their money by directly engaging in business activities and investments with persons wholly unrelated to their borrowers.

But within a few months (after 21 March 1984) the whole ball game in the economic sphere will be different: there will be absolutely no interest in any operation within the country whatever while the market economy will continue to operate. That experiment will be watched with interest by the rest of the world.

(The writer was recently on a visit to Iran.)

Table

The official cost of living index needs to be quoted as it has been published:

Iranian Year	Corresponding roughly to	Consumer Price Index	Wholesale Price Index
1358	1978-79	11.4 percent	19.8 percent
1359	1979-80	23.5 percent	30.5 percent
1360	1980-81	22.5 percent	19.4 percent
1361	1981-82	19.2 percent	13.7 percent

CSO: 4600/243

RISE, DECLINE OF OPEC ANALYZED

GF090630 Tehran KEYHAN INTERNATIONAL in English 13 Dec 83 p 2

[Text] One of the techniques used by global imperialism to plunder the oil resources of the oil-rich countries is to make their economy solely dependent on oil and gradually destroy their other industries that are a source of foreign exchange income. Thus, global imperialism has always made serious efforts to create a single-product economy dependent on oil in the developing nations so that it could be used against the oil producers at any time. To frustrate these vicious plots, in 1960 the oil producing countries decided to establish an organization known as the Organization of Petroleum Exporting Countries (OPEC).

Making the economy of the developing countries dependent primarily on oil is one of the most cunning tactics of global imperialism employed after World War II. Moreover, this policy is now seriously implemented by the Western capitalist nations in collaboration with their proxies. This has caused tremendous damage and has weakened OPEC, which 10 years ago, was one of the strongest anti-imperialist bases. The reason for the drop in oil prices and the consequential opposition against Iran and the progressive faction of OPEC should be seen in the light of the gradual economic and political decline of OPEC as well as the nature of the relations of the dominant faction of OPEC with the capitalist world.

The turn of political events within OPEC's rank and file, policy coordination and cut-throat competition of the oil multinationals, changes in oil prices, surplus income (petro-dollars) and their effects on the global economy, and several other events in the global oil market, all in all, have had far-reaching influence on various countries, especially the advanced capitalist nations during the recent decade.

Prior to the establishment of OPEC, the drilling and sale of oil was carried out by the international oil corporations. These companies sold oil to any party they wanted and at exorbitant prices. Thus, in this way, the oil companies amassed great wealth whilst the actual owners of this source of energy received a meager amount compared to its real price. Moreover, the oil companies unilaterally reduced the price of oil whenever they deemed it necessary. This resulted in the plunder of the oil resources

of the oil-rich countries, especially the Middle Eastern nations. To block these evil designs, OPEC was established, as a result of which the oil price that was \$1.80 per barrel in 1960 reached \$34 per barrel in January 1970.

The decade of the 1970's can be considered as a peak period for the burgeoning of OPEC. If the petro-dollars income due to the sudden rise in oil prices during this period were not deposited in the western banks by the pro-western members of OPEC, such as Saudi Arabia, the western banking system and eventually the western economy would have been so badly hit that it would have forced them to review their racist and colonialist policies. At that time, the western importers had hoped that the four-fold increase in the price of oil within a space of 90 days (which was in fact a sort of oil blockade against the West) could only be a vindictive action for a certain short period. However, the later trend of events proved just the contrary and revealed how wrong the oil and economic experts were.

The price of OPEC oil not only did not drop, but OPEC succeeded in overriding the tremendous pressures exerted by the oil consuming nations to break the price of oil. Moreover, between the years 1979-81 OPEC raised the crude oil price considerably.

However, during the OPEC conference of March 1982 in London, due to the pressures of U.S. imperialism and its clients, the price of oil was suddenly lowered by \$5 per barrel, and was approved during the recent OPEC conference in Geneva. The giant multinational oil companies did everything under the sun to block an increase in the prices of oil. The oil companies took drastic measures, like cutting down on consumption and even boycotting oil purchases. However, the oil producing nations did not give in and by concluding fresh oil agreements and granting of rights to those countries interested in exploring new sources of oil, neutralized the plots of the oil companies. The OPEC member governments succeeded in keeping matters in their own favor in their new agreements and as long as they preserved their unity, they succeeded in countering the western plots. However, this situation did not last for long and global political events gradually eroded Arab unity and that of the OPEC members. This encouraged global imperialism to further widen the existing erosion, resulting in the further dependency of the client regimes on the West and thus paving the way of the hurried plunder of the oil resources of the oil producing companies by the multinational corporations.

Moreover, the stockpiling of oil by the oil companies forced the members of OPEC, most of whom lacked the necessary financial credits, to accept the new artificial system of supply and demand to lower prices.

Thus OPEC, by accepting the newly imposed oil prices, revealed its vulnerability. Eventually, OPEC lost its international standing as a decisive force. Thus OPEC's total exports in 1973 that accounted for about 87 percent of the world's total oil production, dropped to about 66 percent during the last year.

CSO: 4600/252

TEHRAN RADIO COMMENTS ON PALESTINIAN SITUATION

GF020854 Tehran Domestic Service in Persian 0430 GMT 2 Jan 84

[Commentary by the Central News Unit Research Center at Ahvaz: "New Palestinian Aspirations"]

[Excerpts] The visit by Yasir 'Arafat to Tunisia and his activities connected with Fatah and the PLO are the beginning of a new phase. All signs point to the fact that the meeting between Yasir 'Arafat and Husni Mubarak was not a spontaneous act but was part of a plan which is expected to begin to really take shape at this time. It seems that the latest move by the United States in this region aims at linking all the problems of the region, and that includes Lebanon, Palestine, and the Saddam imposed war on Iran.

One gathers from the meeting between officials of the Egyptian regime and Yasir 'Arafat that the focus of political spotlight in the future with regard to the Palestine question will be on Resolution No 242 of the UN Security Council of November 1967. From the viewpoint of Egypt and the Arab conservatives, to which one may now add 'Arafat, the aim is to give up the military option in the confrontation with the Zionist regime. So now there is a need to prepare the political groundwork for achieving this aim. There are only three courses open and they are the Camp David Accord, the Reagan plan, and the Fes resolutions which is the Fahd line. Neither of these courses have achieved a consensus between the United States, the conservative Arabs, and the forces in their tow, so in the words of Kamal Hasan 'Ali, the Egyptian foreign minister, the common denominator to these three approaches is UN Security Council Resolution No 242.

The Camp David accord which the Egyptian regime has watered down and presented as "the only way to peace," envisages self-determination for the West Bank and the Gaza Strip which may lead to an independent Palestinian state. The Reagan plan allows for Jewish settlements in the West Bank and the Gaza Strip and envisages the solution of Palestine question with a confederated state with Jordan. The Fes resolutions adopted by the Arab regimes go a little further. In return for recognizing the Zionist state and ending all hostilities, Israel will withdraw from all territories occupied in 1967 and an independent Palestine will be set up.

UN Security Council Resolution No 242, which has won the support of two superpowers and almost all the Arab countries, does not mention the PLO or an independent Palestinian state, or call for the withdrawal of the Jews from the occupied territories, or the return of Palestinians. In short, all three of 'he approaches are similar and none of them spells out the full recognition of Palestinian rights, or the objective of their struggle, or the illegal occupation of Palestine by the Jews. However, these three approaches are concerned with one cardinal objective, that is, recognition of the Jewish state and ensuring its security.

Now even 'Arafat and his followers, who for years opposed this UN resolution because it only mentions Palestinians as refugees, seem to welcome this resolution as their long cherished objective and are riding toward it at full gallop.

'Arafat has asked the Egyptian regime for a 2-month moratorium to enable him to clean house within his organization before he acts. In fact, 'Arafat is trying to maintain his chairmanship of Fatah and the PLO Executive Committee.

Meanwhile, the Arafat opponents are busy holding meetings in Damascus to coordinate their efforts to oust 'Arafat. They have stated that they plan to remove 'Arafat through democratic methods. It might as well be mentioned that the guerrilla organs of the PLO are generally aligned against 'Arafat.

Syrian press has recently warned that the PLO is not a personal fief of 'Arafat but belonged to all Arab peoples and that if 'Arafat betrayed this organization, Syria would rout out the traitors wherever they may be.

As we have said before, important developments are expected. The outcome may be two liberation movements, or one liberation movement and one subservient state. The important point is that contrary to the thinking of the group which relies on help from the East in preference to aid from the West, no difference may be found between the objectives of the two blocs, because the Soviet reaction to 'Arafat's meeting with Husni Mubarak has been low-keyed and lukewarm.

The crux of the matter does not lie in disparity between the positions of the East and the West but in the common objectives of both with regard to the Middle East. Both seek but to weaken the Islamic movement in the region. Both fear the spread of the Islamic movement which is the only way to liberate Palestine. Hence, all activity seen today stems from their realization of this fact. There is no doubt that the last word in this matter still lies with the Muslim Palestinian masses within the Islamic movement which is taking whole of this region.

CSO: 4640/95

ARTICLE DISCUSSES AFGHAN REFUGEE PROBLEM

GF051408 Tehran KEYHAN in Persian 17 Dec 83 p 6

[Unattributed commentary]

[Text] In view of the beginning of the sixth year [as published] of invasion of Afghanistan by the Soviet Army which brought in its wake destruction and slaughter and also rendered millions of defenseless Afghans as refugees, it occurred to us that we might analyze in detail the problem of the Afghan refugees in our country. There is no question that every human being, when he cannot bear tyranny, oppression, and aggression, invariably stands up against such injustice and tries to defend not only himself but also his beliefs and culture. But finally, as he stands defenseless and unarmed, he prefers leaving his home and land to living a disgraceful life under the control of an enemy. He does so to revitalize his own strength and to collect arms and war implements so that he could cut short the blood stained hands of the sinister invader from his homeland.

With the entry of the Soviet forces which occupied Afghanistan, suddenly a flood of Afghan refugee brothers started pouring into Iran through its eastern borders. Our country which had just ended the difficult era of the campaign against the satanic regime and had just entered an arduous and meandering path, in fulfillment of the Islamic revolution's mission, opened its arms to these oppressed guests. However, in view of the country being involved in postrevolution difficulties, looking into the problems of these refugees and arranging for them could not be done in a satisfactory manner. As a result, the Afghan refugees were scattered over various cities and they entered into various trades to be able to feed themselves. Therefore, the refugees, who by now had exceeded 1.5 million in number, caused problems for the country which was grappling with various other difficulties. The imposed war, the problems which such a war creates, millions of people who had been displaced by the war, more than 100,000 deportees from Iraq who had left their homes to escape Ba'thist oppression and tyranny, the economic pressures on the country brought about by the revolution and replacement of the satanic system with the Islamic republic system, the economic sanctions imposed against the country and other similar problems, did not allow for solving the Afghan refugees' problems in a manner we had wished. Consequently, there were clashes, abuses, and even plots were hatched to take advantage of these difficulties.

In view of the growing unemployment in the country and existence of the abundant cheap labor of these Afghan refugees, a situation was created in the country which became unbearable for the Iranian youth force which was being neglected. Most of the factory managers preferred Afghan cheap labor and thus Afghan laborers were engaged in jobs which could have been performed by the Iranian youth. There have been cases where labor laws were ignored and in order to make larger profits, the Islamic tenets were also forgotten and thus these Afghan refugees were exploited by unscrupulous elements. The availability of this cheap labor has in a way created difficulties for the employed Iranian workers also. It has happened several times that an Iranian worker refusing to abide by the unjust demands of factory managers in defense of his legal rights, has been threatened with being fired and his job being given to an Afghan worker.

On the other hand, the lack of identifying bona fide Afghans and the influence of bad characters among them, has created a number of problems and social difficulties. We see in the press regularly news items on the crimes, murder, theft, and smuggling committed by a few Afghans. There are also reports of growing misdemeanors on their part. These things have caused concern in the minds of the Muslim people of Iran and especially among those who have been in regular contact with the Afghan refugees.

The officials responsible and the people should keep this important point in mind: Some secret groups have penetrated the Afghan refugee ranks to mislead public opinion about their campaign in support of the Afghan Muslims against the invading Soviet forces. These miscreants also wish to question the integrity, prestige, and culture of the Afghan refugees by causing disruption in the social structure so that the public becomes suspicious of them. This problem in itself is a warning to the Ministry of Interior and responsible officials that they should take appropriate measures in time to nip these plots in the bud.

The issue of identity cards for Afghan refugees and other measures in this respect have been useful, but they have not been able to solve the problems. These measures are only preliminary steps toward more effective action. One should have a decisive formula against those who play with the feelings of the general public. They should be wiped out. These guests of ours could be accommodated by setting up more camps and they should be led toward productive jobs so that they do not become a burden on society. They should be made to stand on their own feet and should not be a drain on the country's economy.

At present in view of the inefficient methods of distributing consumer goods and faulty channels of apportionment, some Afghan nationals have resorted to peddling and to buying and selling of items which are in short supply in the bazaars. Some of them have faller into the hands of the professional smugglers and they risk their lives for paltry sums which they gain by indulging in distributing narcotics.

It would be a fruitful step if housing arrangements were made for them, they were made to sett! in an organized manner, and they were given cultural and vocational training. This will also be a matter of satisfaction for the Muslim Afghan brothers and sisters because this will help them in the liberation of Afghanistan through their healthy activities and aspirations. A number of Afghan workers are engaged in various services. Since there is a demand for workers in the various agricultural sectors, transfer of the Afghan workers to the agricultural and animal husbandry sectors will be a step toward solving the difficulties of the farmers also.

In any case, the solutions of these difficulties depend on timely action by the responsible officials. We must, as soon as possible, meet the demand of the Muslim people of our country by apprehending the bad characters among the Afghans, and looking into the problems of our Muslim Afghan brothers and sisters. If solutions to these problems are delayed, it might turn into a social-political crisis and result in grave consequences.

It is up to the government by developing plans, by encouraging employment of the Afghan refugees in appropriate sectors, and similarly by taking decisive action against the corrupt forces and unruly elements, who have found their way into the ranks of the Afghan refugees, to prevent the further deterioration of the situation and end the existing disorganization.

CSO: 4640/93

MFA OFFICIAL COMMENTS ON ROLE OF REVOLUTIONARY GUARDS IN LEBANON

Tehran ETTELA'AT in Persian 13 Dec. 83 p. 2

[Text] In an interview with the ISLAMIC REPUBLIC NEWS AGENCY, the deputy foreign minister announced: Offices representing the Islamic Republic of Iran in foreign countries are propagandists for the government of the Islamic Republic, bearers of the message of the blood of martyrs, and spokesmen for the qualities of the Islamic revolution. The most important way to promote the Islamic republic outside the country is to invite researchers, thinkers, and Iranists to Iran, so that they may come and see first-hand the great changes that have taken place since the victory of the splendid Islamic revolution.

While announcing this during the interview, Mr Javad Mansuri, cultural deputy of the Foreign Ministry, discussed the establishment and expansion of cooperation between the government of the Islamic Republic of Iran and other governments of the He said: The embassies and representatives of the Islamic Republic of Iran who are active abroad are working in political, educational, and economic areas. Of course the most important message is presented by Iran's representation in its acts and behavior; in reality, this work is the revolutionary and Islamic delivery of the message of the blood of martyrs and the Islamic revolution. With regard to the establishment of relations with neighboring countries, according to article 152 of the constitution, we are obligated to have close and peaceful relations with our neighbors, and the government of the Islamic Republic of Iran has sought good neighborly relations with its neighbors throughout the period since the revolution. friendly messages and through journeys it has proven that it wants to establish good relations with neighboring countries, especially Muslim governments.

With regard to the Islamic republic's expanded propaganda abroad, Mr Mansuri was asked to what extent this had been effective in thwarting the propaganda of the enemies of the Islamic revolution. He answered: Fortunately, propaganda activities abroad are carried out in various ways and have had positive

effects so far, but if we suppose that we can thwart the poisonous propaganda that is being leveled against the Islamic republic in very short order, this is far from reality. We are making our best efforts in this area, however, and at the present time the offices of our representatives are extensively active in the area of propaganda. The Ministry of Islamic Guidance is also active in this area, but the Islamic republic's most important propaganda tool abroad is to invite researchers, thinkers, and Iranists to come to Iran and see first-hand the great changes that have taken place since the beginning of the victory of the Islamic revolution. Naturally, after leaving Iran they will be good propagandists for the Islamic republic, and the image that some governments have drawn against the Islamic Republic of Iran will be thwarted with the expansion of the Islamic republic's propaganda, and the credibility and value of some of the world's mass media which have spread poison against the Islamic republic will actually vanish.

Concerning the establishment of international seminars and conferences in Iran and the virtues of holding such seminars, the deputy foreign minister said: The holding of international seminars and conferences has many desirable advantages; we will become aware of the world's most recent experiences and discoveries, and specialists and insiders who come to Iran to participate in conferences will become acquainted with the Islamic revolution. The government of the Islamic Republic of Iran has held five international conferences since the beginning of this year, and two other conferences will be held by the end of the year. During the period March 21 1984-March 20 1985, God willing, more international conferences on various subjects will be held in Tehran, which naturally will have a special importance.

In answer to another question from ISLAMIC REPUBLIC NEWS AGENCY's correspondent, Mr Mansuri discussed the reason for sending revolutionary guard brothers to Lebanon and their role in recent events in Lebanon. He added: After Israel's invasion of Lebanon, in order to strengthen Muslim resistance forces in Lebanon and to support forces who are active in this regard, the Islamic republic sent a number of revolutionary guard brothers to the area as a part of the Syrian forces. These forces operate under Syrian command, and in the long run they can create a new culture in the area, and this culture will have such force and power that it will be impossible to resist with any weapon.

9310

CSO: 4640/83

COMMENTARY ON SITUATION IN AFGHANISTAN

GF101329 Rawalpindi PAKISTAN TIMES in English 28 Dec 83 p 4

[Editorial: "Afghanistan Tragedy"]

[Text] Despite numerous expressions of international disapproval, the Soviet troops continue to occupy Afghanistan, ruling through a regime that they put up after the killing of President Hafizullah Amin in 1979. The people of Afghanistan have not accepted foreign intervention, and almost all the provinces of the country are subject to guerrilla resistance. The infighting which began with the assassination of President Daud has spread and has assumed the contours of a civil war. More than a hundred thousand Soviet troops controlling Afghanistan through superiority of arms manipulate the Babrak Karmal regime as if on a puppeteer's string. Offended in their sense of honour, defections have occurred regularly in the ranks of the Afghan army from the soldiers to the officers. The civilian government officials, under awesome pressure to carry out the behest of foreign rulers, have succeeded now and then to flee Kabul and puncture the Soviet media created illusion of a "national democratic revolution" in Afghanistan. The tribes have not accepted the regime in Kabul and have gone on the warpath and are waging a guerrilla war against the Soviet army and its collaborators in Kabul.

The phenomenon of the presence of Soviet arms in Afghanistan has produced ominous ripples in its neighbourhood. Iran after the revolution has been fighting its war with Iraq as a result of which the Gulf has well-nigh lost its sense of security. Zionist aggression in Lebanon and the resultant disarray in the political alignment among the Arabs has rendered the Middle East more than ever unstable. Situated in the vicinity of the Gulf and the world oil-route, Pakistan cannot but feel the heat. Its relations with its neighbours must be sorted out and all snags removed before a war with super-power involvement engulfs it along with other disturbed areas. It has, therefore, embarked upon efforts to normalise relations with India. Its relations with other neighbours, Iran and China, are friendly and mutually cooperative. In an unprecedented manner, it is the equation with Afghanistan that has become problematic. Since 1979 when the Soviet army marched into Afghanistan, Pakistan has been trying to find ways and means

to mend its relations with Kabul and remove a serious threat to its own security and to that of the region. The dilemma in Islamabad is that a political solution is possible only if the regime in Kabul can be recognised and the Kabul regime can be recognised only if the Soviet army leaves the Afghan soil to allow a natural realignment of power in Kabul. The solution Pakistan seeks has to be time-related because of the pressure of the three million refugees being sheltered on its soil. After 4 years, the hectic diplomacy employed by Islamabad has made only faint headway mainly because the Soviet leaders in Moscow see the crisis in an East-West perspective and will not concede that a peaceful political solution may satisfy the security needs of all the parties involved and that the ends of the Soviet policy of influence and prestige can be better served by the evacuation of Soviet troops from Afghanistan.

CSO: 4600/253

REPORT ON STATE OF ECONOMY REVIEWED

GF101810 Rawalpindi PAKISTAN TIMES in English 20 Dec 83 p 4

[Editorial: "State of the Economy"]

[Text] The State Bank report for the year 1982-83 reflects the state of an economy which despite domestic difficulties and external constraints continues to make steady progress. The element of growth is visible in all sectors of the economy. The gross domestic product at constant factor cost of 1959-60 recorded a rise of 5.8 percent as compared to 5.6 percent in 1981-82, while the GNP increased by 6.5 percent as against the preceding year's 5.4 percent. Thanks to the overall growth the real per capita income registered a rise of 3.5 percent which betters the preceding year's figure of 2.4 percent. Both agriculture and manufacturing improved upon their last year's performance. Agriculture returned a growth index of 4.8 percent as compared to 3.3 percent of 1981-83. The value added in the manufacturing sector went up by 8.3 percent. An important gain last year was that national savings rose sharply by 50.8 percent as a result of which the ratio of national savings to gross investment increased from 69.6 percent to 91.2 percent. The dependence on external resources declined and the ratio of net external resource inflow to gross investment fell from 30.4 percent in 1981-82 to 8.8 percent in 1982-83. The export sector also overcame its sluggishness with the total receipts rising to \$2.63 billion, marking a growth of 13.3 percent. At the same time imports fell by 4.1 percent to \$5.53 billion, thus narrowing the trade gap to \$2.91 billion as against \$3.45 billion in 1981-82. As a direct result of the adoption of a flexible exchange rate, the balance of payments situation showed remarkable improvement. The current account of balance of payments showed a deficit of only \$435 million which is one-third of the preceding year's figure. The gold and foreign exchange reserves increased from \$1.5 billion to \$2.8 billion while home remittances went up by 29.4 percent as against only 6.1 percent in the preceding year.

The all-round and wideranging improvements in the national economy assume added significance when we take into account the fact that they have been achieved in the face of the persistently unfavourable international economic situation characterised by persistent recession and increasing protectionism. The economy has no doubt proved its resilience but there are still many

hurdles to cross in order to consolidate the gains. The State Bank report underlines some of the areas where still greater efforts are needed if the economy is to continue its steady growth. One of these is the export sector which not only needs to increase its competitiveness through cost rationalisation and quality improvement but also to explore new markets. The report sounds a timely note of warning regarding the eventual deceleration in remittance inflow and recommends the adoption of a long-term strategy for export promotion and import substitution. The report has also talked about the employment problem and recommends increased investment to generate more job opportunities to absorb new members joining the labour force and provide employment to returning immigrant workers. The facts and figures quoted in the State Bank report clearly show that the national economy has now reached the take-off stage. This is a crucial phase which calls for more prudent planning and greater coordination between the public and private sectors. More than that, we need better husbanding of our mited resources, increase in productivity and a substantial rise in savings by putting a curb on wasteful consumption.

CSO: 4600/253

POLITICAL UNCERTAINTY, AMBIVALENCE DISCUSSED

GF311058 Lahore NAWA-E WAQT in Urdu 24 Dec 83 p 3

[Editorial: "Elections--Some Clarifications Needed"]

[Excerpts] Addressing a public gathering in Multan some days ago, President Ziaul Haq once again assured the nation that the government intends to implement the program of transfer of power to people's elected representatives by 25 March 1985.

Six years have passed since the present government took over power and although three commissions have been appointed during this period and their reports have been presented to the government, no definite decision has been reached on those matters which were mentioned in the Multan meeting. It is the country's misfortune that the unscrupulous leaders of the past political governments did not even allow democratic institutions to take root firmly with the result that during such political periods, martial law was imposed to save the country from anarchy. The dilemma that faces the government and its resultant uncertainty does not escape the attention of anyone. Martial law cannot continue for an indefinitely long period. Political activity has not been restored, even on a limited basis during this time, and political parties have not been given a chance to do their homework. The government has only 9 months left [as published] and during these 9 months many major decisions have to be made. The results of the municipal elections are before the government which were contrary to its expectations. The selection of suitable candidates for a parliamentary system is a difficult and arduous task, because the kind of individuals that the president has envisaged are not to be found or they do not wish to take part.

In any case, it is up to the president to solve these problems with veracity as soon as is possible so that this state of ambivalence ends.

CSO: 4656/63

PROPOSAL FOR RCD REVIVAL WELCOMED; COOPERATION STRESSED

GF021800 Karachi DAWN in English 29 Dec 83 p 7

[Editorial: A New RCD]

[Text] Iran has proposed that bilateral economic cooperation and trade exchanges between Pakistan, Iran and Turkey be formalised into a trilateral arrangement. One way of doing so would, of course, be to reactivate the RCD (the Regional Cooperation for Development) formed by the three countries in 1964. The organisation has remained dormant ever since the Iranian foreign minister described it in 1979 as a by-product of CENTO and asked for its dissolution. Pakistan, however, made it clear then that the RCD as such had nothing to do with CENTO, even though at the time of its formation all the three participating states were also members of that security alliance.

Pakistan's stand helped in forestalling the formal dissolution of the RCD, but the organisation has remained inactive ever since. Meanwhile, Iran has established bilateral joint economic commissions with the other two RCD partners. The resulting bilateral exchanges have been quite sizable and satisfactory in recent months. This has apparently prompted the Iranians to seek a trilateral framework for such cooperation. Indications are that the two other partners fully agree with the proposal. This has set the stage for progress in the new effort.

The RCD has indeed no dramatic or spectacular success to its credit. But as long as it was operational, the exercise of multilateral cooperation was undertaken periodically. A number of joint projects were executed, and economic, trade and cultural exchanges took place on a modest scale. Institutions like the RCD Chamber of Commerce and Industry, RCD Reinsurance Center, RCD shipping services, multilateral payments arrangements and long-term trade agreements were established.

The RCD Chamber of Commerce and Industry came up with the proposal for an RCD investment development bank. Communications were also on the priority list as work on the RCD highway, RCD rail link and improvement of telecommunications facilities was undertaken. Feasibility studies on an RCD shipping company was also reported to have been completed. The RCD summit at Izmir in 1976 took another step forward. It decided to establish a

Free Trade Area within 10 years. As a consequence, the RCD partners agreed to sign a protocol for a 10 percent reduction in the existing tariffs for selected commodities. Although the institutional framework was created, the RCD failed largely to deliver on its promises. The institutions can, however, provide a good foundation, for starting a new arrangement on similar lines or for reactivating the old RCD.

The new set-up, whatever its form, will have some built-in advantages. It will not have even a remote reference to or association with any security alliance, which it was erroneously supposed to have had in the past. But the new arrangement will be expected to display greater economic dynamism. The RCD suffered from a weakness of will which induced a kind of dilatoriness in the way its members went about the business of multilateral cooperation.

For all its declared aims, the volume of intra-RCD trade remained stagnant—according to one estimate, at 2 percent of the total external trade of the three countries. Since the economies of the three partners are parallel and they are able to meet each other's needs on a minimum scale only, much inter-dependence could not be created. Moreover, the basic infrastructure for trade and economic cooperation, such as communications, banking facilities, payments arrangements, etc, was lacking and no serious attempt was made to create it.

A deliberate effort can still help the three countries break out of this dismal mold. Pakistan, Turkey and Iran can surely pool their resources of manpower, industrial expertise and finances to make their economies pronouncedly inter-dependent. Once the process begins, it can act as a catalyst for bringing into being a really viable and vibrant economic grouping which can develop into something bigger and more meaningful than the old RCD ever was.

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